

# Montenegro Media Assessment and Evaluation of USAID Media Interventions

---

## Final Report

*Submitted to:*

USAID/Montenegro



*Submitted by:*

**ARD, Inc.**  
159 Bank Street, Suite 300  
Burlington, Vermont 05401  
*telephone: (802) 658-3890*  
*fax: (802) 658-4247*  
*e-mail: ard@ardinc.com*



Work Conducted under Core TO (Task Order No. 827)  
Under USAID Contract No. AEP-I-00-99-00041-00  
General Democracy and Governance Analytical Support and  
Implementation Services Indefinite Quantity Contract

CTO for the basic contract:  
Joshua Kaufman  
Center for Democracy and Governance, G/DG  
Bureau for Global Programs, Field Support, and Research  
U.S. Agency for International Development  
Washington, DC 20523-3100

**May 2004**

---

# Table of Contents

Preface	i
Acronyms	ii
Executive Summary	iii
<b>Section 1: Media Environment</b>	<b>1</b>
1.1 Independent Media	1
1.2 Reform Process	2
1.3 Issues	2
1.3.1 Quality of Journalism	2
1.3.2 Availability of News and Infrastructure	3
1.3.3 Sustainability and Competition	4
<b>Section 2: Evaluation of USAID Media Interventions</b>	<b>5</b>
2.1 USAID/Montenegro Strategy	5
2.2 Montenegro Independent Media Program	7
2.3 Intermediate Results No. 1. Journalists provide citizens with objective, balanced, and fact-based information	7
2.3.1 IR 1.1: Journalists follow accepted and recognized professional standards	8
2.3.2 IR 1.2: Independent media provide comprehensive news and public affairs coverage	10
2.3.3 IR 1.3: Facilities and equipment for gathering producing and distributing news are modern and efficient	12
2.4 Intermediate Result No. 2: Supporting institutions function in the professional interests of independent media	13
2.4.1 IR 2.1: Broadcasters association provides training to and representation for independent broadcasters (UNEM)	14
2.4.2 IR 2.2: Publishers association represents the interests of independent media outlets	16
2.4.3 IR 2.3: Montenegrin training institutions provide journalism training	16
2.5 Intermediate Result No. 3: The legal and regulatory framework supports free speech and access to public information	18
2.5.1 IR 3.1: Legal framework protects the right to gather, produce, and disseminate news	18
2.5.2 IR 3.2: Media licensing is fair and apolitical	19
2.5.3 IR 3.3: Montenegrin non-governmental institutions represent rights of media outlets and journalists	20



---

2.6	Intermediate Result No. 4: Publishers and station managers manage media outlets as efficient, profit-seeking businesses	22
2.6.1	IR 4.1: Independent media utilize strategic business plans	23
2.6.2	IR 4.2: Independent media utilize market research	24
2.7	Program Proposals	26
2.7.1	MIMP's Proposed IR 5: RTCG transforms to public service and comprehensively educates and informs citizens on the country's reform process	26
2.7.2	TV B92 Expansion Proposal	26
<b>Section 3: Conclusions and Recommendations</b>		<b>28</b>

---

3.1	Conclusions	28
3.2	Recommendations	29

---

<b>Attachments</b>		
A.	MIMP Results Framework	
B.	Contacts	
C.	Scope of Work	
D.	References	

---

## Preface

The Montenegro Media Assessment and Evaluation of USAID Media Interventions was contracted by USAID/Montenegro to help it review and evaluate the current state of the print and broadcast media in Montenegro as well as its Montenegro Independent Media Program (MIMP) implemented by IREX (Cooperative Agreement No. 170-A-00-01-00102-00). The Assessment was done under the Analytical Services IQC (AEP-I-00-99-00041) by ARD, Inc.

The purpose of the Assessment is to analyze the status of media reform in Montenegro, determine the principal obstacles to reform, evaluate USAID interventions to date in the areas of the independent and broadcast media, determine whether targeted results and goals have been met and are still relevant, and recommend prioritized interventions for USAID for the next two to three years to strengthen the long-term viability of Montenegro's media scene. The detailed Scope of Work is presented in Attachment C.

The Assessment Team consisted of two experts in the media and democracy and governance (DG) sectors. The Team Leader was Sue Nelson, an expert in post-conflict international assistance programs and the former Director a.i. of USAID/Cambodia's Office of Democracy and Governance. The Senior Media and Training Specialist was Jacky Rowland, a former Balkans correspondent of the British Broadcasting Company (BBC) with expertise in post-conflict media. Both consultants participated in the 2004 assessment of USAID/Kosovo's media assistance program, also done by ARD through the Analytical Services IQC.

The fieldwork for the Assessment was done in Montenegro May 9-22, 2004, with meetings held in Washington May 6-7, 2004. Interviews were conducted with USAID, other donors, IREX, Montenegrin broadcasting officials, media outlets, and journalists. The Team visited many of the television and radio stations, newspapers, media associations, and local broadcasting outlets in Montenegro, including those in the north and south (Attachment B). The Team also collected and reviewed available documentation (Attachment D).

The Team was assisted in Montenegro by a logistician/interpreter, Vildana Jahic. IREX also provided an interpreter, Biljana Baltic, who assisted the Team in its visits outside of the capital, Podgorica. ARD support was provided by Stevens Tucker, Senior Associate, and Marc Companion, Project Manager.

The Team would like to thank USAID/Montenegro for its assistance, especially our Chief Technical Officers (CTO) Dora Plavetic, Democracy Advisor and Anna Drakic, Program Specialist, Democracy and Governance Office. We would also like to thank IREX/Montenegro for its depth of preparation for this Assessment and its openness, which greatly facilitated our work.



---

## Acronyms and Abbreviations

ACILS	American Center for Research and Training
ALES	Association of Local Public Service Broadcasting Services
AMJ	Association of Montenegrin Journalists
ANEM	Association of Independent Media
APJ	Association of Professional Journalists
AYJ	Association of Young Journalists
BC	Broadcasting Center
CEDEM	Center for Democracy and Human Rights
CEED	Center for Entrepreneurship and Economic Development
Codex	Code of Ethics
CoE	Council of Europe
EAR	European Agency for Reconstruction
FRY	Federal Republic of Yugoslavia
IREX	International Research and Exchanges Board
ISP	Internet Service Provider
MAP	Montenegrin Advocacy Program
MBC	Montenegrin Broadcasting Company
MIMP	Montenegrin Independent Media Program
MINA	Montenegrin News Agency
MMI	Montenegro Media Institute
MSRB	Media Self-Regulatory Body
NDI	National Democratic Institute
ORT	Organization for Research and Technology
OSCE	Organization for Security and Cooperation in Europe
PBS	Public Broadcasting Service
PR	Public relations
RTCG	Radio Television Crna Gora
SMMRI	Strategic Marketing and Media Research Institute
UNEM	Union of Independent Electronic Media of Montenegro
USAID	U.S. Agency for International Development
VT	Video tape
WAZ	Westdeutsch Allegemeine Zeitung

---

## Executive Summary

Media in Montenegro have made some progress toward operating as a market-oriented free press but the quality of journalism and professional standards remain low. News outlets have emerged from the years of conflict, where hate speech and nationalistic language were prevalent, but like the rest of society, they remain divided over the future direction of Montenegro: independence or continued union with Serbia.

The private sector is over-crowded and the number of electronic media in particular has reached saturation level. Donor assistance has kept alive a number of smaller outlets that are not financially self-sustainable and have little prospect of surviving on advertising and marketing revenue alone. One large Serbian television station has entered the Montenegrin market and, despite protectionist protests from many broadcasters in the republic, the arrival of more Serbian channels appears inevitable once the licensing process begins.

The former state broadcaster and former municipal radio and television stations are undergoing a transformation into public broadcasting services (PBSs). The process is encountering a certain amount of political resistance and will require a large reduction of station employees, but it is underway and PBSs are becoming increasingly independent in regards to editorial content.

The term “independent media” can now be taken to include commercial radio and television stations as well as public broadcasting services.

### Evaluation of USAID Media Interventions

The Montenegrin Independent Media Program (MIMP) implemented by IREX focused on meeting USAID/Montenegro’s Intermediate Result *IR 2.0.1 “Enhanced capacity and competitiveness of independent media.”* MIMP focused on developing a small core group of outlets and supporting institutions to develop a “power base” and to ensure a solid legal basis for their commercial success. There was progress made at the individual outlet level and at the USAID/Montenegro results level as reflected in the three indicators used in USAID’s *Performance Monitoring Plan*<sup>1</sup>:

- ◆ Professional Journalism: Up to a 2 for 2003, from 1.34 in 2001
- ◆ Business Management: Up to a 2.19 for 2003, from 1.16 in 2001
- ◆ Legal and Regulatory: Up to a 2.46 for 2003, from 1.77 in 2001

However, despite the improving scores, it is questionable whether MIMP’s work resulted in similar progress toward *IR 2.0.2’s* strategic goal to “*increase the flow of information available to citizens*” so they can participate with greater knowledge and effectiveness in political and economic processes. Although IREX worked along these lines, its focus was on improving the outlets rather than reaching the most citizens with objective, factual-based news.

MIMP had a significant impact on the reform process and the adoption of a legal framework that meets European standards. It was less successful developing a sense of responsibility among many of its partners for their own financial viability.

---

<sup>1</sup> Based on IREX’s annual *Media Sustainability Index*, which ranges from 0 (unsustainable) to 4 (sustainable). USAID’s target for MIMP was a 3 (near sustainability).

---

**IR 1: JOURNALISTS PROVIDE CITIZENS WITH OBJECTIVE, BALANCED AND FACT-BASED INFORMATION**


---

IREX identified women's issues, business and economics reporting, and investigative journalism as target areas for improving news and public affairs coverage. MIMP met most of its targets for IR 1; however, investigative reporting remains weak, due in part to fears for journalists' personal safety and the threat of prosecution for libel which is a criminal offense in Montenegro.

Other results of MIMP included the development of the MINA news agency which IREX credits for setting the tone and the agenda for Montenegrin news, the development of a Code of Ethics for journalists, and the establishment of a Media Self-Regulating Body. An important factor that contributed to the results in IR 1 is the ORT Akcija program, also funded by USAID, that contributed substantial amounts of funding to media outlets for programming.

One of the issues regarding IR1 is its wording. The ability of journalists to provide citizens with objective, balanced, and factual information also depends on their editors and the owners of media outlets, all of whom have the ability to change the journalist's work before broadcast/publication.

---

**IR 2: SUPPORTING INSTITUTIONS FUNCTION IN THE PROFESSIONAL INTERESTS OF INDEPENDENT MEDIA**


---

IR 2's purpose was to develop and professionalize Montenegrin institutions so they could provide sustainable support services, such as training and advocacy. MIMP has met its targets for IR 2, which were directed toward two MIMP core partners: the Union of Independent Electronic Media (UNEM) and Montenegro Media Institute (MMI). However, these indicators do not adequately measure the results of this IR, nor address issues such as their post-donor sustainability.

UNEM, with IREX assistance, was actively involved in drafting media legislation and ensuring its adoption by Parliament. Using its influence on bodies such as the Broadcasting Council, UNEM was also able to push through a reduction in fees for use of the transmitter network for its members. However, UNEM has yet to collect membership dues and is still 100 percent donor-financed. It refused to accept the institutional strengthening elements of an assistance package from ORT, which would have helped it to better represent the interests of its independent broadcaster members.

IREX assisted MMI with its School of Journalism to raise journalists' awareness of ethics and professional standards. MMI runs an intensive six-month program that has produced graduates capable of performing a range of basic journalistic tasks, as well as shorter courses and workshops. Although widely seen as providing modern and professional journalism training, MMI is 80 percent dependent on donor funding.

---

**IR 3: LEGAL AND REGULATORY FRAMEWORK SUPPORTS FREE SPEECH AND ACCESS TO PUBLIC INFORMATION**


---

MIMP played a vital role in Montenegro's adoption of progressive media legislation in 2002. IREX's on-the-ground presence, its mentoring, technical expertise, and persistence were key factors in ensuring the legislation met the highest European standards. Although the legal framework is almost completed (access to information and anti-monopoly legislation still remaining), the regulatory framework still needs to be done. The Broadcasting Agency is working on its strategy and developing a frequency plan that is intended to lead to a free and fair tender for all frequencies within Montenegro. One of the main issues still to be resolved is the issue of protectionism. Montenegrin television stations want to be protected from their Serbian competitors, whereas IREX and others have been arguing for an "open

skies” policy. Continued assistance to this process, which faces significant resistance and obstacles, is critical.

---

#### IR 4: PUBLISHERS AND STATION MANAGERS RUN MEDIA OUTLETS AS EFFICIENT, PROFIT-SEEKING BUSINESSES

---

MIMP met most of its targets for IR 4, although as with other indicators used by MIMP, these measured a few outputs and were not reflective of the actual scope or impact of IREX assistance. MIMP had several successes for IR 4. One was creating an awareness of the value of audience research that did not exist before and in helping targeted outlets use that research to improve programming and attract advertisers. Another was helping targeted outlets develop business plans and strategic planning. MINA has made effective use of its business plan by introducing a business reporting service that has attracted more subscribers. This achievement, coupled with a plan to become an Internet service provider, is putting MINA firmly on the road to self-sustainability.

Other outlets have not been as responsive. Although Montenegrin Broadcasting Company (MBC) made some gains regarding the use of research to improve programming and ratings, it has not used the research to its fullest potential. IREX is attempting to reinforce the importance of scheduling and is encouraging MBC to take action to bolster ratings in the afternoon.

Marketing and business management training provided by IREX through the Center for Entrepreneurship and Economic Development (CEED) appears to have started to encourage a more professional approach. Despite this support, however, most media outlets do not break even and few are making strategic plans for a future where donor assistance will no longer be present.

### Other Program Proposals

MIMP proposed a two-year, \$1.3 million assistance program to RTCG. This would help with its reorganization and provision of information to citizens. This proposal is still under USAID review. The Evaluation strongly supports the concept of assisting public service broadcasters as they have the mandate, market share, and reach that other Montenegrin stations do not have. However, this assistance should be on a smaller scale than the levels proposed by the MIMP and focus on helping to improve the technical quality and business management aspects.

There is also a proposal to bring Serbian TV B92 into Montenegro, subsidized by USAID through IREX. The purpose is to help increase professional standards. The Evaluation has serious reservations about this proposal. Before the MIMP program started, this might have been a viable alternative to MIMP assistance to local stations. However, after three years of MIMP assistance, there is an increased professionalism within news and a wide availability of news programs (including regional and international news). In addition, IREX estimates that a TV B92 in Montenegro would not exceed a 3-4 percent market share, nor would it be financially sustainable. The Evaluation suggests instead that reporters from TV B92 be used as trainers in MIMP programs.

### Conclusions

The Montenegrin Independent Media Program played a significant role in the reform of the media sector and in improving the independent media sector in general. In a difficult transitional environment, IREX’s presence and mentoring served as a deterrent to political interference in the transformation of the state broadcaster and the reform of the legal and regulatory framework.



Most of the objectives for MIMP were met except on the key issue of sustainability. Only a few of MIMP's core partners have taken responsibility for their financial viability. Many in the private media are unwilling to accept market realities and rely on the anticipation of continued donor assistance.

The media sector is in transformation and the next two to three years are critical. The reform process is not completed and there is significant room for backsliding if not closely monitored and assisted. Within the next two to three years, the status of Montenegro should be determined. Serbian stations will be working within the Montenegrin media market and nonviable stations will have gone under or been consolidated.

USAID should continue its assistance during this critical timeframe. Its longstanding involvement in the reform process, its MIMP program, and its synergistic programming through ORT, provide USAID/Montenegro with a comparative advantage that no other donor has.

The Evaluation Team recommends:

- ◆ USAID extend its activities in the media sector for the next two to three years. At the end of that period, the media sector should be assessed to determine the need for future assistance and its direction.
- ◆ The results framework be streamlined. The Agreement-level Strategic Objective (SO) could be *Media provides objective, balanced and factual information* with three IRs focusing on 1) implementation of the legal and regulatory framework, 2) improving the quality of media output, and 3) improving business management.
- ◆ Media assistance beneficiaries be broadened to include public service broadcasters which now meet the definition of "independent." This would enable the project to impact a far greater number of Montenegrins than through MIMP's current strategy of assisting a limited number of private stations.

## Media Environment

The Montenegrin media environment is in transition. Legislative reforms were done in 2002 to ensure a free, competitive media and to transform the state media into independent public service outlets. Implementation of these reforms is currently underway but slow. The media market is saturated: for a population of approximately 650,000 people, there are 40 private radio stations, 12 private television stations, one republic-wide public broadcaster comprising two television channels and two radio channels, 13 local public broadcasting services, five daily newspapers, and several weekly and biweekly magazines. The economy is weak and cannot sustain all of these outlets.

The media reflect Montenegrin society and are polarized between pro-independence supporters and those wanting to remain in the Union of Serbia and Montenegro. According to the IREX *Media Sustainability Index*, free speech in Montenegro is improving and is nearing sustainability. It also has a near-sustainable score for plurality of news sources. However, while the number of media outlets has multiplied, the overall quality of journalism remains low.

The Montenegrin Broadcasting Agency is currently working on a frequency plan for broadcasters. Once the plan is complete, all frequencies will be put out to tender: existing broadcasters will have to reapply along with new contenders. It is hoped the plan will regulate a situation where some stations have been using irregular equipment and frequencies that can interfere with air traffic control. It will also address the issue of Serbian outlets entering the Montenegrin market.

### 1.1 Independent Media

The private sector is over-crowded and, as with elsewhere in southeastern Europe, the market has been distorted by the involvement of international donors. Local stations are struggling financially and many have little prospect of survival. Some are artificially sustained by donor grants for programming and other types of assistance. Staff frequently wait months for salaries, while station owners often default on rent payments for their premises. Prospects of achieving sustainability are brighter for stations along the coast, where the tourist industry offers a larger advertising market. The situation is also somewhat better for stations using pirated movies and other stations' programs. This practice can be expected to end with the enactment of pending copyright legislation.

The term "independent" has traditionally been used to refer to private media. However, in a weak advertising market where a few political and business interests are able to wield influence, the concept of independence is relative. At the same time, the transformation of state media into public broadcasting services provides a strong argument for these stations now to be included in the definition of "independent media."

The market is also being affected by the arrival of foreign outlets. The main international mover in the print sector is the German publishing house, WAZ, that bought a controlling share of *Vijesti* and reinforced professional standards at the newspaper. *Vijesti's* circulation is now 20,000-25,000 copies—up from 5,000 in 1997. WAZ is reported to be considering further investments in the Montenegrin publishing sector. In the broadcasting sector, Serbian TV Pink is taking over market share

and advertising revenue from Montenegrin broadcasters. This is creating a protectionist sentiment and is currently the main topic of debate in the draft broadcast strategy.

## 1.2 Reform Process

Montenegro's recently adopted media legislation eliminated unreasonable restrictions of press freedom and introduced the right of reply (Media Law), established an independent broadcasting regulator (Broadcasting Law), and transformed the state's broadcast media into an independent public service broadcaster (Public Broadcasting Law). These laws conform to the highest European standards. Remaining work needs to be done on the Copyright Law, Anti-Monopoly Media Law, and Access to Information Law, but these are expected to be legislated shortly.

Although the drafting process was open and inclusive, implementation of the laws is proving difficult and slow. The legislation is more modern than Montenegrin systems and lingering communist era mentalities. There is also resistance to change by vested interests, financial constraints, and a lack of general understanding of basic concepts such as "public service." It is also a multifaceted and complex process that requires a detailed roadmap to get it right.

The reform process for the former state broadcaster, Radio Television Crna Gora (RTCG), and the former municipal radio/television stations into public broadcasting services (PBS) is slow and painful. They require massive downsizing to reduce bloated staff levels. Politicians and journalists find it difficult to adapt to a situation where stations are no longer mouthpieces for the ruling party/parties, and there are complaints that ruling party loyalists have been appointed to key editorial positions. However, everyone noted a definite improvement in public service broadcasting in the past six months to a year.

Public service broadcasters are dependent on the government for part of their budget, but the introduction of a television/radio tax levied on telephone bills is starting to generate an independent revenue stream.<sup>2</sup> PBS stations are also allowed to carry a certain amount of advertising. Now that they are cut loose editorially from national/local government, the stations are becoming increasingly independent in terms of content and news. This is evident in the recent complaint by the President of Montenegro to RTCG about their lack of coverage of his meetings.

One of the issues remaining for the reform process is conflict of interest. Users are on governing boards that set user policies. A key example is in the setting of fees for private broadcasters for use of the Broadcasting Center's transmission network. As discussed in Section 1.3.2, the Union of Electronic Media (UNEM) is on the Broadcasting Council. The Council recently decided to lower the fees for private broadcasters to below actual costs that will now require subsidizing by the Broadcasting Agency.<sup>3</sup>

## 1.3 Issues

### 1.3.1 *Quality of Journalism*

The standard of professional journalism in Montenegro remains low. Journalists and editors show lack of initiative and allow press releases and news conferences to dictate their agenda. However, some stations have moved beyond the tyranny of "protocol journalism"—where every story features men in

<sup>2</sup> However, this is only for landlines and income is not collected from the 280,000 mobile phones in use.

<sup>3</sup> No private broadcaster—except for TV Pink—has yet paid their monthly fees.

suits on podiums and in conference halls—to cover social and economic topics as well. The threat of prosecution for libel, which remains a criminal offense under Montenegrin law, contributes to self-censorship, while concerns about personal safety deter journalists from investigative reporting.

Technical standards are similarly low. Camera work is shaky and picture composition poor, while videotape (VT) editing demonstrates a lack of understanding of picture sequences. These low technical standards reflect the poor skills of cameramen, TV editors, and directors, rather than the quality of the equipment they are using. TV IN is probably the most advanced station in terms of technical appearance, while RTCG is starting to look more professional.

Among the print media, *Vijesti* is the only daily newspaper that would be recognized as professional by Western standards. *Dan* resorts to sensationalism, while *Publika* is perceived to represent the interests of Prime Minister Milo Djukanovic. Newspapers generally fail to distinguish between news and opinion. Montenegro lacks journalists with the experience and authority to write quality “leaders,” and there is a similar lack of quality “letters to the editor.”

The media are still divided about where Montenegro’s future lies, although there is considerably less “patriotic” journalism than before. The new generation of young journalists are open to the democratic principles of journalism in western Europe, but what they can achieve is limited by the older generation of editors and managers, who, to a large extent, are laboring under the legacy of Communism.

There have been two separate awards schemes to recognize excellence in reporting. One scheme focused on business journalism while the other was for general reporting. In both cases, the quality of the contenders was so low that the respective panels of judges decided not to award a first prize.

### **1.3.2 Availability of News and Infrastructure**

News is widely available in print and broadcast form, but there is a lack of diversity of news sources. More than 90 percent of Montenegrin media subscribe to the Montenegrin News Agency (MINA) and rely on it heavily: newspapers print MINA stories verbatim while broadcast media cite MINA in their news bulletins. While MINA is widely recognized as an accurate and professional supplier of news, lifting its stories is not a substitute for original, firsthand reporting by print and broadcast media. As a result, the diversity of outlets disguises a uniformity of news.

Broadcast media are more popular than print media, due to the comparatively high price of newspapers (a daily paper costs about the same as a daily loaf of bread). Internet usage is low: there is currently only one Internet service provider (ISP) in Montenegro, so it is able to dictate high fees. Added diversity is supplied by Serbian media, that provides a Serbian perspective through its reporting. TV Pink has started to broadcast terrestrially in Montenegro and it is likely that other Serbian broadcasters will follow.

The mountainous terrain poses severe problems for terrestrial broadcasters. Montenegro has 126 broadcasting installations for a population of approximately 650,000 people, whereas Serbia is able to cover a population of about 11 million with just 250 transmitters. This makes broadcasting in Montenegro an expensive business, and, as mentioned above, private broadcasters have balked at paying their user fees.

The transmission network is owned and managed by the Broadcasting Center (BC). It is a key asset and vital to all radio and television broadcasters in Montenegro. The BC maintains its facilities with a skeleton staff and is financially threatened by the failure of users to pay for its services. In addition to broadcasters and mobile phone operators, the emergency services and radio taxi companies have

traditionally used the BC facilities free of charge. With the new Broadcasting Law, the BC is now able to charge users monthly fees. The government has defaulted on its payments for use of the transmission network by RTCG, while members of UNEM used their seats on the Council of the Broadcasting Agency (CBA) to force down the fees payable by private broadcasters.

A network of fiber-optic cables covers most urban centers in Montenegro, although the potential offered by this network has yet to be realized due to continuing disputes over ownership between the BC and the Montenegrin telecommunications company.<sup>4</sup> In the region of Budva on the coast, a cable television company is utilizing the local fiber-optic network to supply a package of 30 television channels to approximately 5,000 homes and hotels. The Broadcasting Center also provides cable television to parts of Podgorica and intends to expand coverage in the next year. Once the Broadcasting Agency establishes the licensing procedures, cable television is poised to spread to other parts of Montenegro.

There is excess capacity for publishing print media: *Vijesti*, *Dan*, and *Pobjeda* all own their own printing plants. The number of distributors has increased, but distribution costs remain high.

### 1.3.3 Sustainability and Competition

The market in Montenegro is too small to sustain all existing media. The economy is weak and scarce advertising revenue is being eroded by the recent entry into the market of the highly rated Serbian station TV Pink. This loss of revenue is likely to escalate as other Serbian players enter the market. Private stations also compete against the public broadcasters. According to the 2002 *Media Sustainability Index*, “for the majority of private media owners, the existence of state-owned media serves as an excuse for their failure to run their outlets as businesses.” This excuse is no longer possible with their transformation into PBSs.

Consolidation of outlets is inevitable, as is the disappearance of some private local broadcasters. This consolidation has been delayed to some extent by donor assistance—in particular for local stations that receive small grants for specific programming. The existence of market research is also resulting in a visible switch of advertisers to stations with better ratings, in particular to TV Pink. Unless a station has an alternative source of income, this flight of advertisers will quickly weed out nonviable commercial stations.

The change in viewing patterns is already evident when comparing survey results over time (Table 1).

**Table 1: Comparison of Market Share 2002 - 2004 (%)<sup>5</sup>**

	RTCG	TV IN	MBC	TV Elmag	NTV Montena	TV Sky Sat	TV Pink
September 2002	40.3	17.9	4.6	7.8	4.2	2.9	4.9
March 2004	22.6	20.4	6.6	4	1.72	0.6	32.4

<sup>4</sup> This is a remaining issue from the privatization of Telecom. The Broadcasting Law gives the BC ownership over these assets but getting Telecom to release them in practice is proving difficult. This is an issue that will shape the future of the BC, and is one where MIMP assistance could make a measurable impact.

<sup>5</sup> For selected outlets. Data from SMMRI surveys for September 2002 and March 2004.

## Evaluation of USAID Media Interventions

### 2.1 USAID/Montenegro Strategy

USAID/Montenegro has been working under its *Montenegrin Interim Strategy 2002-2004*, which focuses on supporting the “capacity of Montenegro’s citizens to advance a continued agenda of reforms that addresses citizens’ priorities for democratic, economic, and community-based development.”<sup>6</sup> It also focuses on enhancing the capacity of government to effectively implement reforms and enforce new laws. The *Interim Strategy*’s goal is a *well-functioning, open society with a growing market-based economy and an independent judiciary* measured through three Strategic Objectives (SOs). These SOs concentrate on developing the private sector and more responsive democratic institutions, and increasing citizen participation in political and economic decision making.

The critical assumptions underlying the *Interim Strategy* are that Montenegro’s government will remain democratic and committed to a market-based economy, the resolution of Montenegro’s status with Serbia will not impact negatively on Montenegro’s reform process, public support continues for the reform process, and government commitment continues to implement legal sector reforms and ensure judicial independence. Montenegro’s status continues to be a critical issue. An interim arrangement brokered by the European Union (EU) in 2002 replaced the Federal Republic of Yugoslavia (FRY) with a new State of Serbia and Montenegro, with Montenegro planning to hold a republic-wide vote on its status in 2005. Montenegrin politics are polarized and split between pro-independence and pro-Yugoslav camps.

USAID’s *Interim Strategy* provides for an integrated program of mutually reinforcing activities and results. All of its SOs emphasize citizen participation and better-informed citizens. USAID’s media interventions fall under *SO 2.0: More Effective, Responsive and Accountable Government Institutions*. This SO “supports the democratic transition in Montenegro by improving the capacity of citizens to participate more effectively and more knowledgeably in political and economic processes, and by strengthening the capacity of key governmental institutions to effectively implement reforms and protect citizens’ essential civil, political and economic rights.”<sup>7</sup> SO 2.0 has three Intermediate Results (IRs) with one IR, *IR 2.0.1: Enhanced Capacity and Competitiveness of Independent Media*, targeted specifically at media assistance.

Activities specified in the strategy for IR 2.0.1 were designed to develop a more professional independent news media through training, institutional capacity building, and limited equipment support for private broadcasters. The goal of IR 2.0.1 is to *increase the flow of objective information available to citizens through a vibrant, competitive free press*.<sup>8</sup> The IREX Cooperative Agreement for its Montenegrin Independent Media Program (MIMP) pre-dates the *Interim Strategy* and this is reflected in the strategy’s choice of partners and activities.

<sup>6</sup> USAID/Montenegro, *Interim Strategy 2002-2004*, p 2.

<sup>7</sup> USAID/Montenegro, Op Cit p 29.

<sup>8</sup> USAID/Montenegro, Op Cit p 10.

The strategy is a flexible framework for USAID/Montenegro’s media programs and enables USAID and its implementers to take advantage of unexpected opportunities and to maximize impact. This is an important factor in keeping a reform process on track in a polarized and vested-interest environment. When the strategy was drafted, the term “independent” was synonymous with “private.” At that time, the public sector media was state-owned and operated. However, today the situation is very different. The Public Broadcasting Law passed in 2002 requires the reform of former state broadcasters into independent public service broadcasters. During the evaluation, it was evident that this transformation process is well underway and that the term “independent” can and should apply to public service television and radio broadcasters.

## USAID Media Interventions

USAID/Montenegro’s media assistance program built upon the work begun by the Office for Transition Initiatives (OTI) from 1997-2002. This assistance provided equipment to media groups as well as help to NTV Montena and *Monitor*. OTI also started the Akcija NGO network that is now supported by the USAID-funded ORT project (described below).

In 2001, USAID competitively awarded a \$3 million Cooperative Agreement (No. 170-A-00-01-00102-00) to the International Research and Exchange Board (IREX) to support its Montenegro Independent Media Program. Subsequent amendments raised the Agreement total to \$3.75 million. The Agreement is for a period of three years (July 16, 2001-July 15, 2004) and continues the work in Montenegro begun by IREX under regional grants from USAID.<sup>9</sup> The MIMP program is the focus of this evaluation.

USAID measures progress of the MIMP Cooperative Agreement activities through a *Media Sustainability Index* using three *Index* indicators:

- ◆ Professional Journalism
- ◆ Business Management
- ◆ Legal and Regulatory

The Index scores are measured as “unsustainable,” “near sustainability,” and “sustainable,” and done on an annual basis by IREX. USAID’s target for all three indicators is “near sustainability.”

In addition to the Cooperative Agreement with IREX, USAID supports media-related activities through other implementing partners in its SO 2.0 portfolio. This includes:

- ◆ ORT International that works to strengthen local NGOs through its \$3 million Montenegrin Advocacy Program (MAP). ORT subgrantees include several MIMP strategic partners.<sup>10</sup> It also undertakes public advocacy campaigns through Akcija (Action Reforms for Healthy Society) that has 71 members—half of which are media organizations that produce and distribute public information programs. USAID measures success of MAP through an NGO Sustainability Index.
- ◆ National Democratic Institute (NDI) that works on political processes. In addition to polling on levels of trust in public institutions (including media), NDI assisted several media-related associations.<sup>11</sup>
- ◆ ACILS that helps independent labor union movements and which has provided advice to the trade union related to public service broadcasting.

<sup>9</sup> ProMedia (I) Serbia (1997-1999), ProMedia II Serbia (1999-2000), and ProMedia II Kosovo and Montenegro (2000-2001).

<sup>10</sup> UNEM and Association of Young Journalists.

<sup>11</sup> Including Association of Young Journalists.

## 2.2 Montenegro Independent Media Program

The goal of the MIMP program is to “*help professional and financially self-sustaining independent media provide citizens with the balanced and objective news and information necessary to participate in democratic and free market institutions.*”<sup>12</sup> It was an ambitious program with four Intermediate Results:

- ◆ IR 1: Journalists provide citizens with objective, balanced, and fact-based information.
- ◆ IR 2: Supporting institutions function in the professional interests of independent media.
- ◆ IR 3: The legal and regulatory framework supports free speech and access to public information.
- ◆ IR 4: Publishers and station managers manage media outlets as efficient, profit-seeking businesses.

The program strategy was to combine training, consulting, and targeted small grants to achieve its Intermediate Results. It intended to work with a small number of the “most promising independent print, radio and television outlets in Montenegro’s media community as well as supporting institutions such as the Montenegro Media Institute, Union of Independent Electronic Media, Montenegro Press, and the Association of Young Journalists.”<sup>13</sup>

Each of these activities and their results are discussed below according to their planned Intermediate Result. The complete results framework is available in Attachment A.

## 2.3 Intermediate Result No. 1: Journalists provide citizens with objective, balanced, and fact-based information

IR 1 focuses on the first half of USAID/Montenegro’s strategic goal for its media assistance: *increasing the flow of objective information available to citizens*. To achieve this result, IREX intended to continue the training of journalists and outlets it had started under its earlier Agreements. Its core training partner was to be the Montenegrin Media Institute (MMI), while IREX would also provide station-based consulting and targeted small grants for specialized reporting.

Indicators adopted to measure performance focused on increased reporting in targeted areas (gender, business and economic, enterprise and investigative) and improved basic journalistic quality for targeted outlets. Quality was to be based on key factors including sourcing and accuracy. IREX monitored and compared these indicators on an annual basis and recorded the following results:<sup>14</sup>

Gender issues:	Number of articles increased in 2002 by 0.3% <sup>15</sup> , in 2003 by 35%
Economy:	Number of articles increased in 2002 by 38% <sup>16</sup> , 2003 by 37%
Investigative:	Number of articles increased in 2002 by 402%, 2003 by 13%
Quality:	Increased in 2003 by 8 % <sup>17</sup>

Although the targets for these indicators were not specifically mentioned in the *MIMP Monitoring and Evaluation Plan*, they appear to have been met in terms of outputs as evidenced above. However, these

<sup>12</sup> Cooperative Agreement No. 170A-00-01-00102-00, p 9.

<sup>13</sup> CoAg, OpCit, p 10.

<sup>14</sup> IREX, *Results Tables* for 2002 and 2003.

<sup>15</sup> Increase for weeklies was 20%.

<sup>16</sup> Increase for weeklies was 71.8%.

<sup>17</sup> No results were listed for 2002.



indicators do not measure IR 1 progress at the results level. IREX's self-evaluation of its IR 1 results are a 7 out of 10, starting from 1 in 2001.

USAID/Montenegro uses the Professional Journalism Index from the IREX Media Sustainability Index to measure progress of this activity as part of its own performance monitoring. MIMP's IR 1 activities were to feed into this indicator. USAID's target was "Near Sustainability 3.00." It measured a 2 in 2003 starting at 1.34 in 2001.

At issue is the framing of this IR. As worded, IR 1 places the responsibility for ensuring that citizens are provided factual information on the journalists. However, there are layers of editors, managers, and owners between the citizen and the journalist, all of whom have the ability to change substantially the journalist's work before broadcast or publication.

### **2.3.1 IR 1.1: Journalists follow accepted and recognized professional standards**

MIMP sought to improve the quality and professionalism of journalism through training and by establishing standards of journalism. The term "professional standards" was taken to refer to both editorial content and technical quality. Although not included in the Agreement's *Program Description*, IREX also worked to develop a code of conduct and self-regulatory mechanism.

#### **Training**

IREX identified four target areas for training: television, radio, print, and news agency. Their strategy was to offer a mix of seminars, workshops, on-site training, and longer-term consulting and mentoring.

At the start of the activities, IREX characterized television as the least developed medium in terms of professionalism. Training was to focus on developing such things as news packages, news production, and basic television reporting principles. Radio was seen as trying to compete with municipal radio stations, "many of which have improved dramatically due to their membership in the Association of Independent Media (ANEM) and its coordinated and comprehensive training program developed in cooperation with IREX ProMedia/Serbia."<sup>18</sup> Basic radio training was to be done through UNEM and a comprehensive MMI program. Print training was to focus on basic journalism (writing, editing, and use of graphics) also through MMI. News Agency training was to help Montena Business become a professional provider of news and information to media outlets and businesses.

The MIMP program provided most of the training as planned. For television training, the core partner was MBC, which benefited from a long-term, on-site IREX consultant. Other television stations benefited from technical courses conducted by MMI and from participation in various seminars.

IREX provided training to private radio stations through UNEM. Workshops covered key skills such as radio news writing, package-making, and on-air interviewing. IREX has encouraged journalists to become multi-skilled by learning digital sound-editing and how to use a "self-op" radio studio.

Through its Serbian Program, IREX (through ANEM) also organized an annual summer school in Kotor. The school is open to radio journalists from countries throughout the former Yugoslavia. In previous years, it has run courses for two months during the summer and has trained, on average, about 100 people per year. In 2004, IREX plans to run the school for only two weeks.

<sup>18</sup> *MIMP Cooperative Agreement, Program Description*, p 9.

IREX activities in print training were limited. Training was offered, largely through MMI, on writing, editing, design, and layout. *Monitor* Magazine was given funding for investigative reporting. IREX has identified the magazine's outdated design and its Web site as areas requiring further attention. Some workshops were held in northern Montenegro to benefit local print media. *Polje* Magazine in Bijelo Polje received management training and funding for investigative reporting, and its journalists were invited to MMI training courses in Podgorica.

IREX assistance helped ensure the successful merger and transformation of MontenaFax into MINA. IREX credits its training and technical assistance to MINA for its development into a credible and professional news agency that provides objective and nonpartisan news. IREX helped it to develop its business reporting as well as with specialist training on coverage of the International Criminal Tribunal for the former Yugoslavia (ICTY) in The Hague. The Team found that MINA articles are used extensively by the print and broadcast media in Montenegro.

### Self-Regulation

IREX assistance was crucial to the development and adoption of a Code of Ethics (Codex) and to the creation of a Media Self-Regulatory Body (MSRB). The IREX consultant, Hendrik Bussiek, was widely credited with playing an important role in the process.

The MSRB started work in January 2004. It monitors newspapers and the main television news bulletins to ensure adherence to the Codex, and it encourages citizens to bring violations to its attention. The aim is to resolve disputes without resorting to court action, by securing an apology by the news outlet when a complaint is upheld. The MSRB has no sanctioning power other than to publicize instances of non-compliance: it can decide to "name and shame" an outlet which refuses to publish an apology/correction. Thus far, only 10 complaints have been brought to the MSRB, although this is probably the result of an underused system rather than increased adherence to standards by journalists and news organizations.

The credibility of the MSRB has, to an extent, been called into question by the election of Senko Cabarkapa as its Coordinator. Mr. Cabarkapa was previously a deputy editor of *Dan*, a newspaper that pursued a belligerent editorial line during the conflicts in the former Yugoslavia and was supportive of the regime of Slobodan Milosevic. However, according to most of those interviewed during the Evaluation, since taking up his position on the MSRB, the Coordinator has worked to promote adherence to professional standards as set out in the Codex.

During the Evaluation, international experts and local journalists pointed to a number of occasions when Montenegrin media failed to respect the standards they signed up to. For example:

- ◆ The reporting of a sex trafficking case was widely condemned for its sensationalism, offensive language, failure to respect privacy, and its unsubstantiated allegations and counter-allegations. Almost all media were criticized for unprofessional and unethical reporting.
- ◆ Self-censorship is prevalent. For example, the initial hesitation of some television stations to report that an Italian regional prosecutor had accused current Prime Minister Milo Djukanovic of involvement in cigarette smuggling.<sup>19</sup>
- ◆ Reluctance to challenge big business interests, such as the lack of investigative journalism following a recent chemical leak into the Tara River.

<sup>19</sup> The Team also found self-censorship for its evaluation. According to one grantee, "People fear losing their donation if they say something frank."

IREX provides technical assistance and financial support to the MSRB. The Coordinator credits IREX with 70 percent of MSRB's success, and noted in particular IREX's mentoring role. However, the Team also noted that although the MSRB is a new organization, no discussions have yet taken place between IREX and the MSRB on sustainability issues of sustainability or how this organization will continue to function once Cooperative Agreement funding ends, two months from now.

## Recommendations

- ◆ Continued training of journalists in professional standards and new emphasis on parallel training for editors and managers.
- ◆ Priority given to developing core skills—news writing, interviewing, fact checking—with specialized training as a subsidiary activity.
- ◆ The implementation of a wider public awareness campaign to ensure citizens understand the concept of “objective reporting,” know the existence of the MSRB, understand its importance and how to use it to make complaints. This could be part of a larger public information campaign undertaken on the reform process.

### **2.3.2 IR 1.2: Independent media provide comprehensive news and public affairs coverage**

As noted under 2.3 above, IREX identified women's issues, business and economics reporting, and investigative journalism as target areas. To achieve these results, IREX planned to:

- ◆ Train editors and journalists on women's issues, including violence against women, trafficking in women, women in politics, and women's economic rights; followed by grants to create special pages/programs on these issues.
- ◆ Train on the role of media in the economic transition, the privatization process, and how to attract audiences with business news. It also intended to hold roundtables to bring media and business together.
- ◆ Train and hold workshops on the role of investigative reporting, how to do research, and on ethical and legal issues. It also intended to issue a number of small grants (up to \$2,500) to promote investigative and enterprise reporting.

The output of these activities is listed in Section 3.2 above. In terms of results, IREX has had the greatest impact in increasing coverage of business and gender issues. Business reporting has now become routine. However, the media still tend to treat women's issues as a “special interest” topic rather than as mainstream news concerning more than half the population. IREX was less effective in increasing investigative and enterprise reporting. Media outlets continued to take the lazy option, basing much of their news coverage on press releases and prescheduled events.

An important factor contributing to the results of IR 1.2 is the USAID-funded ORT program. Under Akcija, ORT provided subgrants for 56 media projects in 2003. Subgrantees included MBC, Radio Antena M, Radio Montena, TV IN, TV Pink, and smaller stations such as Radios Ozon and Fokus.

## Provision of News

This is the result sought for IR 1.2. IREX focused much of its efforts on a small number of outlets, although, at the same time, it included a broader range of outlets in its group training events and workshops. Some of the outlets assisted included the following.

**MINA.** IREX made a significant contribution to the establishment and growth of MINA as an independent and respected news agency. MINA provides two news services, a general news and business news, and claims to be the source of 65 percent of all news reported in Montenegro. It has started offering audio clips to radio stations.

MINA has had a positive impact on the quality of journalism in the republic. It has become a sector leader in business and economic coverage: its business news service has had a ripple effect, prompting other media outlets to introduce dedicated business pages/broadcast slots. IREX also funded MINA to produce a weekly 15-minute television business show, *Ekonometar*,<sup>20</sup> which is broadcast by MBC.

MINA improved the scope of its coverage through reporting from the ICTY. The IREX Hague Coverage Project, funded by the Charles Stewart Mott Foundation, sponsored a MINA reporter to work at the ICTY for six weeks in June-July 2003.

**Radio Antena M** is the oldest private radio station in Montenegro and is widely respected. A new transmitter, funded by IREX, Swedish Helsinki Committee, Norwegian People's Aid, Medienhilfe and Press Now, has enabled the radio station to double its reach, so that it now covers 75 percent of the population of Montenegro. IREX helped Radio Antena M relaunch its morning program. The result—a blend of news, weather, traffic, newspaper reviews, music, and phone-ins—has become the most listened-to show on the station. IREX has funded special programs on women's affairs and environmental issues.

**M Production and Obala Production.** IREX provided funding to these two independent television/radio production companies, for reporting on women's and other public interest issues and for producing a public awareness campaign on the new media laws. Independent production companies have the potential to add to the quality and diversity of programs broadcast in Montenegro, by securing commissions from private and public media. RTCG is required by law to take a percentage (10 percent is the figure currently under discussion) of its programming from independent producers. These production companies are well-placed to secure some of the public service programming on RTCG (education, culture, ethnic minorities, people with disabilities) which the government is obligated to fund.

**MBC.** IREX's most substantial financial assistance has focused on transforming MBC from an entertainment channel (formerly known as *Blue Moon*) into a station offering a range of unbiased news and information to citizens. There has been a marked improvement in the quality of news bulletins, but this has not been matched in other parts of the station's output. The station is struggling to shake off its old reputation as a purveyor of low-quality entertainment: the legacy of *Blue Moon* lingers in viewers' minds and impacts on the channel's ratings. Many leading media practitioners in Montenegro question IREX's choice of MBC as a strategic partner.<sup>21</sup>

MBC has attracted women viewers with its Spanish TV Novellas (soap operas) that precede the evening news. It has made a strategic decision to target its news program at these viewers by placing an emphasis on coverage of women's issues. This has resulted in its evening news capturing a 22 percent

<sup>20</sup> Running from March 2003 to April 2004 at a cost of \$32,349.

<sup>21</sup> There was widespread sympathy for NTV Montena which had not been kept as an MIMP partner and which is in dire financial straits, and which was seen by those interviewed as having the most professional news.

share of the women's audience in Montenegro. IREX has provided funding for a biweekly women's magazine program, *Ksenija*.<sup>22</sup>

IREX achieved its greatest gains with MBC when an in-house consultant, Stanislava Benicka, was working with the news team. During periods when she was present, editorial meetings were a daily event and journalists made progress toward setting their own news agenda to reflect the concerns of ordinary people. Each time she left Montenegro, however, the news team slipped back into old habits of letting the people who issue press releases and call news conferences dictate the content of the news.

Although MBC has made some changes recommended by IREX, MBC has failed to adopt repeated recommendations on improving the operation of the newsroom and the quality of news. Continuing problems include:

- ◆ Editorial planning remaining weak;
- ◆ Burdening the news editor with administrative duties that prevent him/her from concentrating on editorial quality; and
- ◆ Failing, by the business news desk, to provide in-depth analysis and to focus on issues that concern viewers.

In addition, the owners of MBC have opted to broadcast news at 15 minutes to the hour, ignoring an almost universal tradition of on-the-hour news. MBC was also supposed to function as a hub for a news/information exchange network including local private radio stations (Busola, Skala, Fokus, Ozon, Montena, Panorama); however, it does not appear to have been active. Local stations consider Radio Montena in Niksic to be the network hub. This information exchange takes place via the Internet.

## Recommendations

- ◆ Women's issues should be "mainstreamed" and stations should be encouraged to actively seek out female interviewees on the main political, economic, and social news of the day.
- ◆ Targeted subgrants for specific public interest programming should be continued, and combined with focused training and mentoring.
- ◆ Continued assistance to outlets should be conditional upon their adoption of IREX's technical advice and the meeting of specific benchmarks of progress.
- ◆ MIMP and the Akcija programs should coordinate their assets and expertise for programming—Akcija in terms of its financial assistance and MIMP in terms of technical assistance to improve the quality of programming.

### **2.3.3 IR 1.3: Facilities and equipment for gathering producing and distributing news are modern and efficient**

At the start of the *Agreement*, IREX characterized the Montenegrin media as poorly equipped with antiquated or inefficient equipment. IREX intended to provide a targeted grant program through UNEM for its broadcaster members to improve their production quality; small grants for the print media, possibly through Montenegro Press; and small grants for MontenaBusiness news agency. Up to 15 grants per year of up to \$8,000 each were anticipated.

<sup>22</sup> Running from February-June 2004 at a cost of \$24,970. The show also had a 0.4 percent rating in the March 2004 SMMRI survey.

IREX warned against overbuilding and stated that equipment purchased should match the real needs of an outlet. Emphasis was placed on teaching the skills necessary to improve performance along with the equipment purchase.

IREX did provide targeted assistance to purchase equipment. Among its activities:

- ◆ MBC's expansion of its northern footprint by IREX funding a fifth transmitter for Kolasin (\$93,008). The station now expects to reach some 90 percent of the market, although the Evaluation found that MBC does not reach much of the coastal areas, and the March 2004 SMMRI survey showed that almost 21 percent of respondents received no MBC signal. IREX also provided MBC with camcorders (\$5,750), digital television equipment (\$62,700), production and editing equipment (\$64,657), and broadcast facility (\$18,147).
- ◆ MINA received \$40,150 for equipment and staffing for 2002, \$10,695 for an IT upgrade and personnel in 2002/2003, and a \$22,347 subgrant to open a Belgrade office and cover running costs for nine months.
- ◆ UNEM received technical equipment and other funding. It also established a Web site with audio links to the output of member radio stations.
- ◆ MMI received \$25,000 for equipment and operational costs for 2001, television studio equipment (\$22,032), and Web design support (\$1,320).
- ◆ *Monitor* received photo equipment (\$6,000), and Antena M received technical equipment (\$11,980). *Mont Press* received \$12,200 for a printing press upgrade and computers. Radio Focus received \$2,000 for technical equipment as did Radio Ozon.

The Team found IREX's core partners were well equipped, having received equipment not only from IREX but from other donors as well, including the earlier OTI program.

## Recommendations

- ◆ Purchase of equipment should form a minimal part of any future assistance and is not essential for the current core partners. Improving the technical skills of camera operators, VT editors, studio directors, and other staff would have a greater impact on the visual/audio quality of broadcast news than any additional equipment.
- ◆ MIMP should encourage the Broadcasting Agency to expedite the granting of cable licenses, to realize the potential of Montenegro's fiber-optic cable network.

## 2.4 Intermediate Result No. 2: Supporting institutions function in the professional interests of independent media

The purpose of IR 2 was to develop and professionalize Montenegrin institutions so they could provide sustainable support services, such as training and advocacy. According to IREX, at the start of the Agreement, there was limited Montenegrin capacity in these areas except for UNEM and the Montenegro Media Institute. At that time, UNEM, with IREX assistance, was characterized as a proven and vital broadcaster's association, and MMI as starting to show results after a slow start.

IREX's intention was to focus on UNEM and MMI, and to make some effort to revive Montenegro Press, a publishing association that had been inactive. IR 2 indicators were directed at UNEM and MMI—specifically measuring the number of MMI training events and the percentage of its own source revenue, and the percentage of UNEM members paying dues and the number of its lobbying and training events. IREX met its targets for these indicators. However, as with many of MIMP indicators, they do not adequately measure the results of this IR or reflect the scope of activities undertaken.

IREX's self-evaluation for IR 2 is a 6-7 out of 10 (starting at 3 in 2001). It believes that UNEM has done well and that its members can offer a viable footprint alternative to RCG and TV Pink. It considers MMI as a professional training institution with a modern, practical curriculum. IREX can be credited with much of these two institutions' success. However, critical issues remain, including their focus and post-donor sustainability. These are discussed in more depth below.

#### **2.4.1 IR 2.1: Broadcasters association provides training to and representation for independent broadcasters (UNEM)**

IREX planned to continue its work with UNEM started under its earlier Agreements. At that time, 10 out of 15 private radio stations and two television stations were UNEM members. IREX's intention was to assist UNEM develop as a provider of training to its members through workshops, followed by on-site consulting. It also planned to purchase a yearly news agency subscription for UNEM member use, with the idea of reducing its payments each year and having the subscription eventually covered by UNEM through member payments.

IREX did channel some of its technical assistance and consulting through UNEM, in particular equipment for several smaller broadcasters.<sup>23</sup> For the larger members, IREX tended to work directly with the outlet. IREX credits its assistance through UNEM to having improved ratings for several stations, including Radios Panorama, Boje, and Fokus, as well as having improved their balance of news coverage and current affairs programs. IREX also provided UNEM members with subscriptions to BETA and MINA news services in Year 1, continuing with MINA subscriptions for Years 2 and 3. However, UNEM did not collect any payments from its members, and IREX is still paying for 100 percent of the costs.

IREX's support also resulted in the joint programming of six UNEM radio stations and MBC TV for a nightly news program broadcast from Montena Radio. Each station provides news packages from their regions that they submit through the Internet. UNEM also manages a Web site where members' radio stations can be heard.

One of the critical issues for continued support to UNEM is the nature of UNEM itself. According to IREX, UNEM was established with IREX's help in 1999 with the aim to improve the quality of reporting and the status of the private independent broadcasters.<sup>24</sup> However, in interviews, the UNEM Executive Director characterized UNEM's primary task as assisting members to get donor assistance. Its advocacy work on such things as media legislation was secondary, yet UNEM has made the most impact with its advocacy work. It currently represents 25 broadcasters, and its Executive Director was one of the activists pushing the media reform process. UNEM credits IREX with this success, and IREX was clearly a driving force for many UNEM activities. There is power in the collective action of UNEM members, however, as evidenced in its coordinated broadcasting blackouts that generated parliamentary action on the media reform legislation.

IR 2.1 includes UNEM as a provider of training to its members. The Team doubts that this should be a focus of donor assistance. UNEM is a trade association, and its primary task should be representing the commercial interests of its members as stated in the second part of *IR 2.1: Representation for independent broadcasters* and in *IR 3.3: Montenegrin non-governmental institutions represent rights of media outlets and journalists*. Spending time and assets to develop a UNEM capacity to deliver training

<sup>23</sup> Radio Fokus in Bijelo Polje, Radio Antena M in Podgorica, Radio Free Montenegro in Podgorica and Radio Ozon in Kolasin.

<sup>24</sup> IREX, *Client Profile: UNEM* p 1.

is questionable, especially given the availability of quality training through other Montenegrin institutions, such as MMI.

Another issue regarding UNEM is its institutional strength and post-donor sustainability. Despite a governing board, it is more a driven individual than an institution and is funded exclusively by donors. In addition to IREX, UNEM received assistance from Press Now, Swedish Helsinki Committee, Norwegian People's Aid, British and German Embassies, the Soros Foundation, and others. Its members do not pay dues even though UNEM adopted “symbolic” monthly dues of 10 € last year.

UNEM's representational work was appreciated by some of its members who indicated that they were willing to pay regular dues if asked.<sup>25</sup> Among these was MBC, which mentioned UNEM's representation regarding the reduction of fees assessed by the Broadcasting Center (discussed in Section 1.2) and Radio Fokus, which mentioned UNEM's protection of journalistic rights. Other outlets said they were forced to join UNEM in order to be eligible for donor assistance, which they felt was channeled through UNEM. Some of these outlets had been members of the FRY media association ANEM, which is still active in Serbia. UNEM bylaws do not allow members to join other media associations, so only one private broadcaster in Montenegro, Radio Skala, remains as a member of ANEM.<sup>26</sup> The Evaluation Team sees the rivalry between UNEM and ANEM as counterproductive and that membership in one organization should not exclude membership in others.

ORT offered UNEM institutional strengthening through its USAID-funded Montenegro Advocacy Program (MAP). This program provides NGOs with a \$25,000 grant and training in organizational development, advocacy skills, training for boards of directors, putting in accounting systems, information technology, and good governance practices. UNEM refused the institutional training saying ORT's conditions were too rigorous and it was too busy with its advocacy work on media reform. After UNEM successfully lobbied USAID, ORT created a special program entitled “Civil Society Support Grant” that enabled UNEM and the Association of Young Journalists to receive \$25,000 grants each without the institutional capacity training. ORT also offered UNEM assistance within that grant to bring in experts to help UNEM members with such things as applying for licenses when the frequency tender is issued. UNEM was uninterested.

The Evaluation found a sense of entitlement within UNEM. There was no recognition that the MIMP Cooperative Agreement is ending in July along with IREX's payments of salaries, administrative costs, and office rent. There was no discussion of asking members to pay their symbolic dues or of any other type of income generation—other than the anticipation of continuing donor support.

## Recommendations

- ◆ UNEM is uniquely placed to help identify a new generation of media leaders, and it should work to foster leadership potential among its member stations.
- ◆ UNEM members are businesses, and the Team supports the December 2003 recommendation by an ORT expert that “future financial aid should be limited to assisting with its ability to establish a viable membership scheme, including the collection of membership fees, and to become a regular self-sustaining business association.”<sup>27</sup> This type of assistance is vital and the ORT program in Montenegro is better suited to provide this assistance than MIMP.

<sup>25</sup> Radio Fokus said it had paid dues for the past six months.

<sup>26</sup> According to ANEM, it has three remaining members in Montenegro out of its original membership of 14.

<sup>27</sup> Štěpánek, Petr, *Watchdog 101 Training*. 2003.



- ◆ Future USAID-funded media assistance to UNEM should focus on the provision of technical assistance for such things as improving the quality of journalism; developing business, marketing, and programming strategies; and continued networking among members. This support should be conditional upon UNEM undertaking the institutional strengthening support offered by ORT and its regular collection of realistic dues.
- ◆ The IREX and ORT assistance programs in the media, and in particular with institutions such as UNEM, need to be closely coordinated to avoid duplication of efforts, ensure consistency of approach, and maximize the impact of USAID-funded assistance.
- ◆ Potential UNEM projects involving implementation and monitoring of the media laws should be examined for possible conflicts of interest as the UNEM Executive Director is also a member of the Broadcasting Council.

#### **2.4.2 IR 2.2: Publishers association represents the interests of independent media outlets**

At the start of the Agreement, IREX characterized the newspaper publishers' association, Montenegro Press, as inactive and without an active agenda. IREX planned to revive the organization with an activity plan to include group purchase/price negotiation for newsprint, and training in marketing/business management. However, at the end of the Agreement, Montenegro Press still appears to be inactive and without an active agenda.

Montenegro Press is an NGO, currently with seven members among the independent printed media. Its stated aim is to safeguard the independence of its members and work to advance their profitability. It successfully led a campaign for group buys of newsprint during the Milosevic-orchestrated newsprint crisis of 1999-2000. More recently, it has suffered from a lack of collegiality among the printed media, which see each other as competitors rather than partners, and has been ineffectual in representing their interests.

A May 2004 conference of members, funded by Norwegian People's Aid, was aimed at reinvigorating the association and identifying common concerns. It is too early to ascertain whether it yielded any results.

IR 2.2 has no indicators, but it is evident that there are no measurable results. In fact, IREX recommended no activities under IR 2.2 for MIMP Year 3 due to the inactivity of the organization.

#### **Recommendations**

- ◆ Montenegro Press represents commercial publishing businesses and should therefore function as a professional association rather than as an NGO.
- ◆ Any future MIMP support should be limited to technical advice.

#### **2.4.3 IR 2.3: Montenegrin training institutions provide journalism training**

IREX focused on the Montenegro Media Institute as a core partner for providing training and has helped MMI become a center for media professionalism in Montenegro. MMI promotes the right of citizens to objective, balanced, and factual information through education and training, promoting professional standards, research, documentation, and monitoring. IREX foresaw close cooperation between MMI and the University of Montenegro, with MMI moving toward affiliation or even integration into the university.

The MMI School of Journalism, supported by IREX and the Danish School of Journalism, offers practical, vocational training in modern facilities. In addition to short courses, the school also runs a six-month intensive course in print and broadcast journalism for students who have already completed a university degree. It has produced graduates capable of performing a range of basic journalistic tasks, and many have subsequently found employment in Montenegrin media.

Through its impartial and objective training programs MMI has also helped to bridge the gap between the pro-independence Montenegrin media and pro-union media. The polarization of the media between these two camps in Montenegro is one of the sector's biggest obstacles.

The University of Montenegro, which is not supported by IREX, has started (this academic year) a journalism program within the Department of Political Science. The university has adopted a conservative approach with echoes of Communist era education: the journalism program is heavily theoretical and foresees few practical components. The current curriculum provides for a three-year undergraduate degree followed by a two-year postgraduate program. Practical modules are included only in the postgraduate course.

MMI has held tentative discussions with the university about the possibility of teaching practical modules of the university curriculum at the MMI School of Journalism. No agreement has been reached, and MMI is cautious about being subsumed by a larger partner that does not necessarily subscribe to the same educational and professional standards.

In addition to the full-time journalism school, MMI offers short courses and workshops on a variety of journalism topics. IREX believes there has been too much emphasis on specialist training, when most Montenegrin journalists lack a firm grasp of the basics.

MMI played a role in developing the Codex and it produces a number of reference books and manuals. Its facilities and equipment are available for commercial hire. MMI has recently started offering public relations (PR) courses, with the Ministry of Justice of Montenegro as one of its first clients. This offers a new revenue stream to subsidize other activities. IREX has also used MMI to provide business training for media outlets and channeled its funding of media surveys through MMI in order to increase its revenues. This is an issue discussed in Section 2.6.2, but it raises the issue of the focus of the supporting institution as discussed for UNEM.

MMI says it is 80 percent donor-funded and 20 percent funded from income-generating activities such as renting equipment and office space. As with UNEM, there was a feeling of entitlement within MMI, with the expectation that donors would continue to cover the costs of its journalism training. The Director told the Evaluation Team that MMI could never be sustainable and that he has asked the mayor for free public facilities. The Director credited 80 percent of MMI's success to his staff, and credited IREX for MMI's expansion into media research, the development of its public profile, and much of the training. He also saw the IREX Chief of Party as a mentor. IREX rates its contribution to MMI responsible for about 33 percent of its success—most notably through its provision of equipment and assistance for curriculum development.

## Recommendations

- ◆ Basic journalism training should be MMI's priority, with specialist training as secondary.
- ◆ MMI should become self-sustaining and charge students and clients realistic fees. It should seek commercial sponsorship for the School of Journalism, to create scholarships or to subsidize fees across the board. MIMP assistance should focus on helping MMI to be self-sustaining within the

next two or so years with donor assistance only provided afterwards for specific programming or research activities.

- ◆ The proposed link-up with the University of Montenegro should be carefully reviewed by donors.
- ◆ MMI should identify its key areas of activity to avoid duplicating efforts by other media organizations, especially since many are financially nonviable in the current economy.
- ◆ MMI should be aware of the potential “conflict of interest” created by its decision to offer PR courses and other media training to government ministries and public institutions.

## 2.5 Intermediate Result No. 3: The legal and regulatory framework supports free speech and access to public information

IREX’s strategy was to continue the work it had begun under its earlier Agreements on the development and adoption of a comprehensive broadcasting law that addressed licensing, the reform of state broadcasting, and the creation of a non-partisan body to manage transmission assets. IREX’s key partner in this activity was to be UNEM, which it thought would also monitor implementation of the law after passage. IREX also intended to help UNEM and others introduce other needed legislation, including access to information and decriminalization of the libel law.

The activities listed in each sub-IR below are based on IREX’s *Program Description*.<sup>28</sup> However, the Team found that some of the most critical activities, such as support to the drafting and passage of several key laws, was not mentioned. The IR 3 indicators adopted are also an issue. They do not capture the vital role played by IREX or the scope of its success.

MIMP’s work in the legal sector has been coordinated with other international actors and with the experts from the European Reconstruction Agency (EAR) who worked for the Council of Europe (CoE). IREX and EAR experts sometimes timed missions to coincide, and both sets of experts commented extensively on draft legislation and regulations. MIMP partners, such as UNEM, were also members of working groups.

IREX rates its IR 3 results as a 9 out of 10, starting from a 4 or a 5 in 2001. Most of the legal framework is almost complete and is considered universally as one of the most progressive set of media laws in the region. Its adoption was a Government of Montenegro commitment to the Council of Europe. However, as IREX’s regional advisor commented, “the devil is in the details,” and the implementation details are still being worked out. There is considerable room for backsliding if the implementation process is not closely monitored and assisted.

### 2.5.1 IR 3.1: Legal framework protects the right to gather, produce, and disseminate news

As discussed above, IR 3.1 is met in terms of legislation. The U.S. Public Affairs Office credits IREX with 70 percent of this success. Implementation and enforcement of that legislation, however, is another issue. This issue is detailed in Sections 1.2 and 2.5.2.

In terms of *Program Description* activities for IR 3.1, only two activities were mentioned:

- ◆ Promoting the right of access to information; and
- ◆ Promoting the employment rights of media workers.

<sup>28</sup> USAID/Montenegro, *Cooperative Agreement No. 170-A-00-01-00102-00*.

The Access to Information bill is completed and is expected to be passed by Parliament in June 2004. MIMP directly provided support to this process by providing technical assistance and expertise as well as support through UNEM. IREX is reasonably happy with the draft, although the final version included compromises on Clause 9 (Exceptions to Disclosure).

In addition, an Anti-Monopoly law for the media industry is drafted, and both IREX and the CoE experts are providing comments. IREX and others also successfully lobbied for an amendment to the law on libel. As a result, imprisonment has been removed from the statute books as a punishment for defamation but fines remain high. However, libel still remains a criminal offense. The OSCE has brought in an expert to work on a Montenegrin copyright law. At the moment, there is only a federal law dealing with copyrights.

MIMP has done very little on the second activity, which sought to promote the employment rights of media workers. This issue is discussed in Section 2.5.3.

### **2.5.2 IR 3.2: Media licensing is fair and apolitical**

IREX planned to support the development of a broadcasting law that would create a non-partisan Broadcasting Council to issue licenses, begin the reform of the state broadcaster (RTCG) into a public service broadcaster, and develop a non-partisan body to run the transmission system. This support was to be provided through direct technical consultations by IREX and lobbying through UNEM and others such as AYJ. Once the law was passed, IREX intended to support its fair implementation through UNEM and other local organizations. Training in the U.S. was anticipated for members of the Broadcasting Council, and IREX intended to hold workshops to bring interested parties together to explain the workings of the law.

IR 3.2 has not been met because the process is not yet completed. The legal and institutional framework for a fair and apolitical licensing process is almost finished, but work still needs to be done on the regulatory framework. As discussed above in Sections 1.2 and 2.5, the Broadcasting Law was passed in 2002 along with the Media and Public Broadcasting Laws. These laws created a Broadcasting Agency governed by a non-partisan Broadcasting Council and a non-partisan Broadcasting Center to manage the transmission system. The Broadcasting Agency is currently working on its strategy and developing a frequency plan. This is to lead to a free and fair tender for all frequencies within Montenegro.

The Broadcasting Agency also drafted broadcaster standards that it has sent to outlets for comments. It has an ambitious plan to monitor broadcasts for compliance that will require significant funding and equipment.

There was criticism by IREX and donors about the slowness of this planning process. One of the main issues still to be resolved is the issue of protectionism and whether Montenegrin television stations should be protected from their Serbian competitors. Protectionism against Serbia is included in the draft strategy, however IREX and others have been arguing for an “open skies” policy.

Another issue is capacity. Although IREX believes the Broadcasting Agency is adequately staffed at its current level of 10 persons, it appeared to the Team to be seriously understaffed given the amount of work involved with the startup of the reform process. This is a critical time as the rules and regulations being set by the Broadcasting Agency will determine the future direction of media reform. It is essential that it adopt efficient, fair, and neutral systems from the beginning so that those within the system do not revert to previous practices.

The German Government is providing assistance (45,000 €<sup>29</sup>) to help the Broadcasting Agency develop the frequency plan. The OSCE is expected to provide the Agency with \$10,000 worth of equipment to help it with its monitoring plan. The Broadcasting Agency said it had good cooperation from IREX and support (technical assistance, a trip to Berlin to visit monitoring facilities, and IREX’s earlier work when the laws were being drafted). The Agency’s Director said they had not agreed with some of the IREX expert’s recommendations for the strategy, but appreciated the input.

Despite the cool appraisal of the Broadcasting Agency of MIMP’s assistance, the Team believes that IREX’s continued monitoring of the implementation process and its targeted assistance to support its work made a significant and positive impact—both in terms of strategic content and in institutional accountability and transparency.<sup>30</sup>

### Recommendations for IR 3.1 and IR 3.2

- ◆ MIMP should remain active in the field of legal reform, where it has achieved major successes and has demonstrated influence.
- ◆ IREX should continue to monitor the implementation aspects of the reform process and provide technical assistance and mentoring to the Broadcasting Council, Broadcasting Agency, and Broadcasting Center as needed and appropriate.
- ◆ The Broadcasting Agency should reconsider its plans to develop a large in-house monitoring capacity. This could be outsourced as needed. The Agency could also encourage citizens and other media practitioners to report abuses.
- ◆ MIMP should ensure its partners are not involved in conflict of interest situations regarding the implementing and monitoring of media reform and their positions on reform governing boards.

### **2.5.3 IR 3.3: Montenegrin non-governmental institutions represent rights of media outlets and journalists**

Despite its wording, activities planned for IR 3.3 were to focus on NGO monitoring of the implementation of the media laws and problems with the rights of independent media and journalists. Monitoring was to be done once a year for Year 1 and twice a year for Year 2. It also intended to provide support to UNEM, AYJ, and Montenegro Press to develop their capacity to serve as effective institutional advocates of the legal rights of media.

#### Monitoring

Monitoring of legal reform was carried out primarily by IREX’s legal consultant who visits Montenegro on a regular basis. IREX/Montenegro also continually monitored the process. Other agencies issue periodic reports, including the Council of Europe and the Stability Pact. This IR has no indicator to measure monitoring results.

There is some monitoring done in terms of public confidence in media outlets as part of a larger opinion poll undertaken on a regular basis by the Center for Democracy and Human Rights (CEDEM). This is funded by NDI and shared with IREX.

<sup>29</sup> According to IREX, the German donation does not come on-line until 10/04.

<sup>30</sup> Through its questions and continued interest that require Agency justification for decisions made. One MIMP grantee went further and commented, “In general, people don’t have a clue what to do. IREX pushed them, showed them what to do, how to do it with models and technical assistance. Without IREX these agencies wouldn’t exist.”

ORT recently started a USAID-funded “Watchdog” program. It includes about \$23,000 for nine months of monitoring the implementation of the media laws. This is to be divided between AYJ and UNEM. However, the ORT consultant warned about conflict of interest issues using UNEM since it has a seat on the Broadcasting Council. The Evaluation Team agrees that monitoring should be done by an organization that is not part of the reform process.

## Representation

The representational aspects of IR 3.3 duplicate the results sought in *IR 2.1: Broadcasters association provides training to and representation for independent broadcasters* and *IR 2.2: Publisher association represents the interests of independent media outlets*. IREX made significant efforts on the protection of the right of expression and the ability of private outlets to function competitively. However, the rights of journalists, particularly in regards to their employment rights, have been neglected.

As detailed in IR 2, media owners’ associations, and in particular UNEM, are more active and effective than the associations representing the rights of journalists. Media owners, or their proxies, are also on media governing boards and advisory councils, and actively work to protect their interests through these inside positions. Public broadcasters are also members of the Confederation of Trade Unions (discussed below) that is also active. However, the association representing the print media, Montenegro Press, has been inactive.

A new association of public service broadcasters (ALES) was created in February 2004. Although its purpose is primarily to exchange information and programming, the public service stations interviewed noted the power of collective action in terms of ensuring their rights<sup>31</sup> during their transformation process.

There are 150 active media outlets in Montenegro that employ more than 3,000 people. This is a bigger workforce than Montenegro’s largest industrial company.<sup>32</sup> According to ACILS, the private media sector is one of the worst for illegal work—much of it “black labor.” Salaries for private sector journalists and employees can be months late and many work without contracts. Having a contract requires employers to register employees and to pay for their social security taxes. As these taxes can cost an employer almost 100 percent of an employee’s salary, many outlets do not register employees, or they lower the tax by registering them at fictitiously low salaries. This had a direct impact on the employee’s future pension and health benefits.

Several journalist associations exist, but they are ineffectual and divided by personal rivalries and political differences. The oldest, the Association of Professional Journalists (APJ), describes itself as independent and refuses to do business with the Association of Montenegrin Journalists (AMJ) on the grounds that the latter was a creation of the Milosevic era. The APJ says it has good relations with the Association of Young Journalists (AYJ) but questions the latter’s role. Other people have been less charitable about the AYJ. “They’re not young and they’re not journalists,” said one media owner. AYJ has received USAID assistance through NDI, ORT, and IREX, but its focus is more NGO project implementation rather than as an association serving its members.

Some journalists belong to both the APJ and to the Union of Independent Journalists, the journalists’ trade union. They appear to believe that one organization cannot represent journalists on both

<sup>31</sup> Their primary concern was that they receive their full allocation of public funding as mandated in the reform legislation.

<sup>32</sup> IREX, *MIMP Workplan, Year 2* p 5.

professional matters and labor rights. Many journalists choose not to belong to any of the associations, describing them as irrelevant.

The most active actors representing media employees' and journalists' rights are the Independent Trade Union of the Media Sector<sup>33</sup> and the RTCG Trade Union, both of which are part of the Montenegrin Confederation of Trade Unions. The Independent Trade Union of the Media Sector represents employees in the public service media. These employees have contracts, are registered, and have their social security taxes paid. The RTCG Trade Union represents the enterprise of RTCG and has been very active. It has a seat on the RTCG Council and is integrally involved in RTCG's reorganization and downsizing plans. Both Unions have the right to strike, which is not a right of associations.

The RTCG Trade Union has been seeking ACILS advice and support on protecting workers' rights during RTCG's reorganization. ACILS attempted to bring IREX into these discussions. However, IREX's focus has been more on the technical aspects of the reorganization and has worked directly with RTCG rather than the Union.

## Recommendations

- ◆ *Monitoring:* IREX and ORT should coordinate efforts for activities aimed at monitoring compliance to the media reform laws. ORT, through its Watchdog Program, appears to be in a good position to support these activities. However, NGOs selected for USAID-funded monitoring programs should not be part of the media reform decision-making process or involved in its implementation. Otherwise, it touches on basic conflict of interest issues and bias.
- ◆ *Representation:* IREX should examine, with the help of ACILS, the prospects for linking the various associations with the journalists' trade union to better represent the labor rights and professional interests of their members.

## 2.6 Intermediate Result No. 4: Publishers and station managers manage media outlets as efficient, profit-seeking businesses

The IREX strategy was to work with selected outlets to ensure their development as efficient, profit-seeking enterprises. While acknowledging that economic conditions might “not support most independent media as profitable businesses,” IREX believed that the “proper training, consulting and incentives can help media enterprises operate efficiently so they move quickly towards legitimate profitability.”<sup>34</sup>

In its Year 2 work plan, IREX looked to “take care that the media behaves more and more as ‘normal’ enterprises where the term profit is neither viewed as obscene nor out of reach. IREX will require media to progress with their IREX supported business plans in order to qualify for further development aid.”<sup>35</sup>

Overall, IREX rated its achievement for IR 4 as a 5 out of 10, starting from 0 in 2001. Its indicators focus on three components of running a media business—specifically, the frequency of market

<sup>33</sup> The Union of Independent Journalists and the Independent Trade Union of the Media Sector appear to be the same Union. The first title listed was the name used by journalists interviewed. The second was the name used by ACILS. ACILS also said the union was limited to public service employees, but this was not the impression given by journalists.

<sup>34</sup> MIMP *Cooperative Agreement*, p 12.

<sup>35</sup> IREX, *Montenegro Independent Media Program Final Draft Year 2 Workplan*, p 4.

research/changes in programming from research, the number of targeted outlets using strategic business plans, and the number of outlets with sales staff and media kits. However, measuring these outputs does not adequately reflect the results of IREX's assistance in terms of efficient management or profitability. USAID/Montenegro uses the Media Sustainability Index's business management attribute as its indicator. Although this results-level indicator is a subjective measurement done by an IREX-organized panel, it shows an increase from 2001 of 1.16 to 1.9 in 2003. USAID's target for the end of the Agreement was "Near Sustainability 3.00." Due to the three-year timeframe of the Agreement, USAID thought that a target of "Sustainable 4.00" was unrealistic.<sup>36</sup>

The Evaluation found that most independent media outlets in Montenegro are not profit-making nor are they run as efficient businesses. Many are on the verge of bankruptcy, in debt, and kept afloat by miscellaneous donor contributions and will power. A few of the exceptions include TV IN, which is running just below breaking even but which is self-financing through its billboard parent company, and *Vijesti*, which was taken over by a German company, Waz, that manages its business aspects.<sup>37</sup>

IREX has a number of notable successes in IR 4, including changing the mindset of outlets regarding the usefulness of market research (discussed in IR 4.2 below). However, IREX/Montenegro admits that its MIMP program was very ambitious for the size of its in-country staff and that their first priority was getting the outlets going and the policy framework done so there would be a solid legal base for commercial success. Sustainability and cost recovery through payment of members' dues or realistic costs for courses, was a second priority.

### **2.6.1 IR 4.1: Independent media utilize strategic business plans**

IREX planned to provide training to targeted outlets in strategic management and on-site consulting to improve their business management. Strategic management training was to be conducted through a series of workshops focusing on the basic elements of a business plan: corporate mission statements, marketing, human resources, budgeting, and communications. The anticipated training partners included the Center for Entrepreneurship and Economic Development (CEED), MMI, and UNEM. Follow-up consulting for outlets by IREX experts and others was to assist them in developing their own business plans, forming strategic partnerships, and learning new business methods including outsourcing for things such as production and accounting.

MIMP did sponsor a number of workshops on business plan basics. CEED, a Montenegrin NGO affiliated with the Center for International Private Enterprise in Washington, DC, was used for several of these workshops. CEED's primary mission is to train entrepreneurs to start businesses and help develop their business plans and marketing strategies. Their workshops included business basics and used the most successful participants as presenters for future training events. For example, the *Vijesti* marketing manager presented *Vijesti's* marketing campaign of winning a stay at a seaside villa—showing participants that the increase in readership remained after the contest was over.<sup>38</sup> A wide range of media outlets attended these workshops;<sup>39</sup> however, the selection of participants was one of self-invitation, and very few persons in a position to make changes in outlet operations attended.

<sup>36</sup> USAID, *Performance Monitoring Plan*, p 28.

<sup>37</sup> It also has a company union that protects employee rights.

<sup>38</sup> *Vijesti* had a very successful marketing campaign underway during the Evaluation. Every Thursday, a classic of Yugo literature in hardback version was available for sale with the paper for 2.99 €. This raised the circulation of the paper by 10,000-15,000 copies on Thursdays.

<sup>39</sup> Attendees included TV Budva, Kronika, Veijesti, TV Montene, Dan, Elmag, Publica, Radio Mir, MBC, TV Pink, and RTCG.



IREX helped a number of outlets to develop their own business plans, including MINA, MIR Radio, *Polje Magazine*, *Vijesti*, *Kronika*, MBC, TV Teuta, *Monitor*, and UNEM. Of these, four outlets (MINA, MIR, *Polje*, and *Vijesti*) base their business decisions on their business plans. IREX funded CEED to assess UNEM, MBC, *Polje*, and MIR Radio's use of their business plan, and decided to award *Polje* a CEED business service contract through July 2004.

IREX recently started to channel more business training and consulting through MMI. However, as discussed in Section 2.4.3, MMI's comparative strength is in its journalist training, and encouraging diversification of MMI into other areas—especially ones that are not economically viable—should not be a focus of MIMP assistance.<sup>40</sup>

Of all MIMP beneficiaries for business assistance, MINA has made the most effective use of its strategic business plan. Among other things, it introduced a business reporting service that attracted more subscribers. Now, 20 out of its 50 subscribers are businesses (20 of the remainder are media and 10 are IREX subsidies for UNEM members). It also develops computer programs for corporate Web sites using the technical expertise of its owners, and has a long-term plan to become an Internet service provider (ISP). These are logical extensions of their business and appear to be realistic income-generating opportunities. MINA estimates that 25-30 percent of its revenue comes from its business operations and 50 percent from its subscriptions (with the remainder from donors). Next year, it expects to break even. MINA credits IREX with half of its success, and half to its own entrepreneurial spirit.<sup>41</sup> They classify IREX's help in negotiating the merger with Montena Fax and their first year of support as "essential." They also credited IREX for their financial plan, which they are still using three years later. MINA is clearly one of MIMP's best successes in terms of both its business management and media product.

## Recommendations

- ◆ MIMP should ensure that its business training directly targets and benefits those responsible for marketing and financial decisions and operations within the media outlets.
- ◆ The ratio of public service broadcasting participants in business training events should increase as they have core financial support that will enable their survival, they are now responsible for making up budget deficits from their own marketing income, and they have no competitive business experience.
- ◆ MIMP should take advantage of existing capacity within Montenegrin institutions for business management training rather than developing this type of capacity in other institutions.

### 2.6.2 IR 4.2: Independent media utilize market research

IREX intended to fund regular market research and to share its findings with targeted outlets. In the beginning, it planned to directly contract the surveys to ensure their independence and objectivity. Subsequently, it expected to contract the management of the research out to local institutions such as UNEM and Montenegro Press. It also anticipated that the outlets would contribute to the cost of the research on an increasing basis.

<sup>40</sup> MMI has recently started English courses for its journalism students. Opening English classes for other students, that charge realistic fees for income-generation purposes, might be an idea worth considering.

<sup>41</sup> IREX credits MINA's own initiative with 60-70 percent of MINA's success and 30-40 percent to IREX's assistance.

IREX planned to use this market research as a sales and marketing tool, so that outlets would know how to use research to improve marketing, increase sales, and adjust their programming to improve audience share. This was to be done through workshops and one-on-one consulting for targeted outlets.

MIMP did undertake market research on a regular basis. Print, television, and radio surveys were conducted every year, with some surveys, such as for television, being done almost on a quarterly basis. These surveys were carried out primarily by Strategic Marketing and Media Research Institute (SMMRI), contracted through MMI. There was also market research done for MINA in 2001/2002 by CEED.

IREX is meeting its targets in terms of its indicators measuring the numbers of outlets with sales staff and media kits. However, these outputs do not reflect the quality of use of the market research or the impact this marketing activity has had on the sector. The existence of market research that is widely shared has had a marked effect on not only the media outlets, but on their advertisers. Stations with low ratings have lost advertisers. Among these is MTV Montena, which filed a written complaint with Strategic Marketing about its inaccurate surveys<sup>42</sup> and lost marketing revenue.

Stations that reportedly gained advertisers from the research include TV Pink. The issue of Serbian television taking Montenegrin advertising was raised by all of the Montenegrin television broadcasters, including RTCG and the private stations. Reportedly, it has taken €2 million worth of advertising from Montenegrin outlets—€1 million of this from RTCG.<sup>43</sup> According to IREX, TV Pink’s commercial success is no accident. It has a highly sophisticated marketing division and uses people meter’s market research on a daily basis for programming decisions. TV Pink is also accused of “dumping,” as advertisers that pay to have their ads aired on Serbian airwaves are getting their ads aired in Montenegro for free.

Montenegro’s media market is not as sophisticated. Despite the wakeup call of advertisers switching to better-rated stations, many outlets still do not use the research to their best advantage.<sup>44</sup> For some of these stations, such as NTV Montena, it is a financial problem of not having enough funds to purchase popular programs. For others, such as MBC, which was able to purchase the region’s most popular soap opera *Klone*, the reason is less clear. With IREX’s technical assistance, MBC made some use of audience research to try to build a programming schedule attractive to advertisers. However, it recently lost its afternoon market share because it switched a popular soap opera re-run to 6 am. It now has the best-watched 6 am show. IREX is working to reinforce the importance of scheduling and is encouraging MBC to take action to bolster its afternoon ratings.

## Recommendations

- ◆ MIMP should implement its original intention of having outlets contribute to the cost of the research on an increasing basis.
- ◆ Market research funded by USAID should not be channeled through a supporting institution for subsidy purposes. It is not a sustainable activity for the institution and it adds unnecessary overhead to MIMP.

<sup>42</sup> For example, according to TV Montena, the survey said TV Montena’s quiz show was its most popular show, while TV Montena did not have a quiz show.

<sup>43</sup> According to MINA.

<sup>44</sup> Although a few, such as Radio Fokus, did report adjusting their programming and advertising rate schedules according to the research.

- ◆ One-on-one training on the use of market research should be expanded to outlets with the most professional news programs, such as NTV Montena, in order to help them boost their ratings for their nightly news.

## 2.7 Program Proposals

### **2.7.1 *MIMP's Proposed IR 5: RTCG transforms to public service and comprehensively educates and informs citizens on the country's reform process***

In its Year 3 work plan, IREX proposed the addition of IR 5 to help RTCG with its transformation into a public service broadcaster. Activities foreseen under the \$1.3 million, two-year proposed IR would include two advisors to help RTCG with restructuring (downsizing) and programming (content), management advice and development of a new business plan, training (70 percent on-the-job and 30 percent classroom), one-week study tours of public broadcasting organizations outside Montenegro for top RTCG staff, and promoting local program production through outsourcing.

IR 5 is still under consideration by USAID.

The Evaluation Team was struck by the opportunities that the media reform legislation is creating in terms of public service broadcasting. As discussed, this transformation is well underway. The next 12 to 18 months are critical and will determine whether these stations are able to fulfill their role as independent public service broadcasters. RTCG has a national footprint and a faithful audience base. Its reach and market share for news and other programming far surpass those of any other Montenegrin broadcaster.<sup>45</sup> Local public service radio broadcasters also have the reach and the market share for local news and programming. They also have their core financial support provided by their municipalities that will ensure their continued survival.

This is the opportune time to assist these organizations. However, assistance does not need to be costly or full-scale. MIMP is uniquely placed to provide mentoring, technical assistance, and guidance to these stations. Helping these stations with their planning, the creation of their new organizational systems, their new programming, and with their strategic management and business planning can help ensure they start out in the right direction. The addition of small-scale and limited targeted equipment support could also make a significant impact. For example, RTCG has gargantuan premises and a mixture of modern and outdated equipment that it uses without significant problems, but its computers are not networked. The addition of a server would lead to greater efficiency and synergies between radio and television news teams. Assistance to strengthen the ALES network of the 13 local PBS stations could also be considered. Apart from some assistance at the legal framework level and a few punctual-types of assistance, there is no other donor providing strategic assistance to this process.

### **2.7.2 *TV B92 Expansion Proposal***

IREX is in discussions with USAID over assisting the expansion of the Serbian television station B92 into Montenegro. TV B92 intends to bid for a frequency in Montenegro once the frequency tender is issued. The proposed expansion project would subsidize B92 for its first year's operations. The funding (\$350,000) would be in addition to MIMP. The purpose of assisting TV B92 expand to Montenegro is to help "increase the professional standards of Montenegro's broadcast media scene."

<sup>45</sup> RTCG's market share for its nightly news in March 2004 was 56.2 percent. This is down from the 61.2 percent recorded in the October 2003 SMMRI survey. Trust in RTCG, according to the CEDEM April 2004 survey, was 23 percent. NTV Montena was 16 percent, TV Pink was 14 percent, and TV MBC was 4 percent.

The Evaluation Team has serious reservations about this plan. Three years ago, bringing in a station with a professional reputation such as TV B92 might have been a good alternative to MIMP’s approach of working with targeted Montenegrin outlets, such as MBC, to improve their content. However, three years into MIMP, IREX’s training of Montenegrin broadcasters has helped to professionalize their news and broaden their content. There are international news channels, such as the BBC, CNN, and Deutsche Wella, available through satellite and cable. Outlets from Croatia, Bosnia, and Albania are also available on cable.

The Montenegrin media market is saturated. The advertising market is very weak. This has been aggravated by the arrival of TV Pink, which has taken market share and advertisers. In Serbia, TV B92 has less than a 5 percent market share and, after 15 years of donor assistance, is still dependent on donor aid. IREX expects TV B92 in Montenegro would pull no more than a 3-4 percent market share and would require donor support indefinitely.

The Team believes the “professional” benefits of a station such as TV B92 could be captured in other, more cost-effective ways. For example, TV B92 reporters and editors could be used by MIMP as trainers—in particular, to improve the quality of content for news and public issue programming. TV B92 could also provide training to Montenegrin production houses to help them compete for the public service programming that RTCG is required to purchase. It might also set up a production arm, so that it could compete for the 10 percent of programming that the law says RTCG must purchase from independent houses. TV B92 news from Belgrade could also be re-broadcast on Montenegrin outlets as part of a regional exchange of programming that MIMP could encourage.

## Conclusions and Recommendations

### 3.1 Conclusions

The MIMP was an ambitious program that has met many of its targets. It made a significant impact on the legal framework for media reform and is helping to keep the implementation of that reform process on track. The IREX Chief of Party serves as a mentor to many of the key actors in the reform process and his advice, and those of the other IREX experts, is appreciated and used. This process, however, is not yet completed and there is still room for backsliding if the process is not given continuing attention and support.

Montenegro ranked first (46.1 percent)<sup>46</sup> in IREX's *Media Sustainability Index* for 2003<sup>47</sup> that compares percentage of improvement within Eastern Europe from 2001 to 2003. The Evaluation Team believes that MIMP can be credited with much of this improvement. IREX's continued physical presence in Montenegro and its active mentoring have proven highly effective. In addition to its technical expertise, in a difficult transitional environment, its presence served as a deterrent to political pressure on partners working on media reform and press freedoms.

The area where MIMP has had the least impact is in the sustainability of its key partners. Although MIMP provided significant levels of training in business management and strategic marketing, many partners do not use this training to its fullest potential. There is a feeling of entitlement among outlets and a reluctance to accept the hard realities of the market. Continued donor support is expected, either in terms of programming support (through Akcija<sup>48</sup>) or directly through MIMP and other donor programs. Even IREX admits that "no one believes media programs will end." Key examples are the supporting institutions UNEM and MMI. The exceptions are MBC, which, as Blue Moon, was already a profitable enterprise and which has invested its own money in its recent studio expansion, and MINA, which has two very active and entrepreneurial owners.

There is also an issue with the sustainability of improved practices. The legacy of a closed and controlled media system remains with some of the editors and managers. Changing the mindset along with their practices takes time. IREX's strategy of placing in-house trainers is a good one. However, it needs to ensure that it helps build internal editorial capacity so that, at the end of the training, the outlet does not revert to its former habits.

MIMP used a cluster approach that focused on a small core group of partners. Although the reasons for adopting this strategy are understandable, it is leading to several undesirable results. One is the marginalization of other worthy outlets in many MIMP activities. Although IREX has included a wider range of outlets in some of its workshop training events, much of its time and effort has been

<sup>46</sup> Serbia comes in second at 35.5 percent and Macedonia third at 33.7 percent.

<sup>47</sup> Preliminary data.

<sup>48</sup> Although aside from \$350,000 set aside this fiscal year to carry out a second and final round of Akcija public education camp aigns, this program is expected to end in January 2005.

concentrated on a small group. This is leading to a situation where the means start to become more important than the end—where core partner survival begins to take on paramount importance instead of being seen as a means to provide accurate and balanced information to citizens.

## 3.2 Recommendations

- ◆ The results framework for future programs should focus on the strategic goal of ensuring better-informed citizens. The current *IR 1: Journalists provide citizens with objective, balanced and factual based information* should be raised to the strategic level and become *Media provides objective, balanced and factual information*. Three IRs focusing on 1) implementation of the legal and regulatory framework, 2) improving the quality of media output, and 3) improving business management should directly feed into the revised SO.
- ◆ Assistance should be focused on where USAID could make the most impact. The practice of financial subsidies should end and be replaced with mentoring and technical assistance for business administration. MIMP assistance should be coordinated with ORT's institutional strengthening activities. Assistance should also be conditioned upon the recipient accepting the "package" of assistance, which should include making the necessary managerial reforms.
- ◆ Training events should focus on the "real" and "relevant." Where possible, it should take place in the working environment and result in real changes in working patterns and in material that can be broadcast or printed. In-house training needs to target enough trainees to justify the costs of the consultant. This could be achieved through expanding the scope of the training to include more in-house staff members, or including appropriate staff from other outlets. The idea of using trainers from TV B92 to professionalize news for Montenegrin outlets should be explored rather than funding the expansion of a financially unsustainable Serbian station into Montenegro.
- ◆ Pragmatic assistance should be provided to the nationwide public broadcaster and the local public broadcasting services. The proposed IR 5 could be implemented on a much smaller scale through including activities with PBSs into all three revised IRs. Helping ensure the transformation of public broadcasters into public service providers of accurate and balanced news should be an important element of future programming. A holistic approach should be taken that includes public awareness with institution building. Any assistance should be conditioned on these public broadcasters taking concrete steps toward their reorganization and downsizing.
- ◆ The use of a media loan fund that is being tried in the region by some USAID missions is not recommended. Although there is a general lack of capital available for outlets, the primary problem is the lack of advertising revenue or other income. Many are in debt and without operating funds. Providing loans to outlets with no means or hope of being able to repay the loan, artificially prolongs their existence and becomes a subsidy program, rather than a loan program for investment purposes. It would be more productive to have MIMP help unsustainable outlets find merger opportunities as it did with MontenaFax.
- ◆ Continued assistance to the media sector is needed for the next two to three years to ensure a successful conclusion to the reform and transformation process and to avoid manipulation of the frequency tender process. Without continued daily monitoring and assistance to the process, there is a danger of sclerosis and backsliding. Within this two-to-three-year timeframe, the status for Montenegro should be determined. Serbian stations will be working within the market, and many of the nonviable Montenegrin stations may no longer be functioning. At that point, USAID should reassess the media sector to determine the need for continued support and its future direction.

- ◆ USAID has a strong comparative advantage in media sector assistance and should continue its support for the near term. It has a longstanding involvement in the process. Its current implementer is considered an expert in the sector and has become a trusted mentor and neutral arbitrator. USAID also has the ORT program, which provides significant levels of complementary assistance and synergy to media assistance activities. No other donor is in this position, and none of the other media programs come anywhere near USAID's program in terms of depth, integrated approach, or scope.

## Attachments

---

- ◆ Attachment A: MIMP Results Framework
- ◆ Attachment B: List of People Contacted
- ◆ Attachment C: Scope of Work
- ◆ Attachment D: References





Attachment A

---

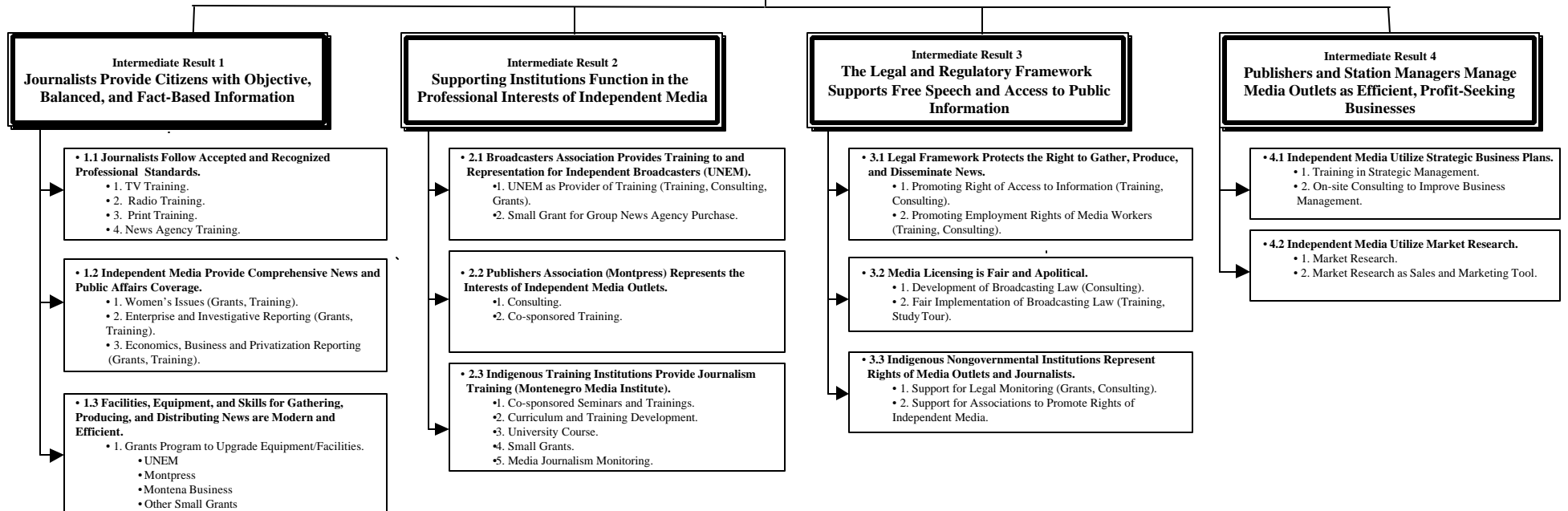
**MIMP Results Framework**



## USAID/MONTENEGRO INDEPENDENT MEDIA PROGRAM

**USAID/MONTENEGRO Democracy Objective :** Increased, Better Informed Citizen's Participation in Political and Economic Decision Making.

**Strategic Program Objective:** To help professional and financially self-sustaining independent media provide citizens with the balanced and objective news and information necessary to participate in democratic and free market institutions.



## Attachment B

### **List of Contacts**



# Attachment B

---

## Contacts

### Washington

International Research and Exchanges Board

Mark Whitehouse, Director, Media Development Division

Melissa Iqbal, Program Associate, Media Development Division

Jill Jarvi, Senior Program Officer, Media Development Division

USAID

Peter Graves, Media Advisor

### Podgorica

American Center for International Labor Solidarity

Aleksandra Višnjic, Program Coordinator

ANEM

Marina Filipovic, Coordinator for Montenegro

Antena M

Darko Sukovic, Executive Director

Association of Professional Journalists

Jovanka Kovacevic, Vice President

Mirsad Rastoder, Executive Committee Member

Association of Young Journalists of Montenegro

Boris Darmanovic, Executive Director

B92

Marina Filipovic, Director for Montenegro

Broadcasting Agency of Montenegro

Abaz-Beli Džafic, Director

Marina Mugoša, Assistant to the Director

Djordje Vujnovic, Adviser to the Director

Momcilo Stojanovic, Assistant Director for Monitoring

Broadcasting Center

Đorđe Piletić, Deputy Director

Center for Entrepreneurship and Economic Development

Dragana Radevic, Program Director



Center for Democracy and Human Rights (CEDEM)  
Srdjan Darmanovic, Director

Council of Europe  
Daliborka Uljarevic, Media and Civil Society Advisor

Dreamy Production  
Momcilo Stojanovic

French Embassy  
Jonathan Lacôte, Officer-in-Charge  
Rodolphe Courpied, Cooperation Attaché

Group for Change  
Koca Pavlovic

IN Televizija  
RadeVojvodic, Director

International Research and Exchanges Board (IREX)  
Jochen Raffelberg, Chief of Party  
Vesan Banovic, Senior Broadcast Advisor  
Stanislava Benicka, Consultant  
Rich McClear, Senior Media Advisor  
Valentina Scekic, Economics Advisor  
Ljiljan Zugic, Broadcasting Manager

Journalist Self-Regulatory Body  
Senko Cabarkapa, Coordinator  
Jovanka Kovacevic, Member

Monitor Weekly  
Milka Tadic

Montenegrin Information Agency (MINA)  
Danilo Cetkovic, Manager  
Jaša Jovicevic, Manager

Montenegro Advertising and Production Agency  
Jelena Dragutinovic, Account Executive

Montenegrin Broadcasting Company (MBC)  
Svetlana Barovic, Executive Manager  
Milutin Radulovic, General Manager

Montenegro Media Institute  
Vojislav Raonic, Director  
Sandra Mitrovic, Student  
Mirela Baualbastic, Student  
Dusko Vukovic, Trainer



Montenegro Press (Association of Private Printed Media)

Igor Milosevic

National Democratic Institute

Aleksandra-Saša Pajevic, Deputy Director/Political Party Program

NTV Montena

Đuro Vucinic, Director

Obala Productions

Koca Pavlovic

ORT

Claire O’Riordan, Chief of Party

OSCE

Jamie Factor, Head of Democratization

Publika

Velizar Brajovic, Editor in Chief

Radio Television of Montenegro

Miodrag Vucinic, Director

Mirsad Rastoder, Radio News Editor

RTCG Council

Branislav Calic

Union of Independent Electronic Media of Montenegro

Ranko Vujovic, Executive Director

Jadranka Kršanac-Kovacevic, President, Managing Board

University of Montenegro

Srdjan Darmanovic, Head, Political Science Department

Leila Murseljevic, Journalism undergraduate student

US Consulate

Aaron Schwoebel, Public Affairs Officer

Sasha Brajovic, Information Assistant

USAID

Howard Handler, Officer-in-Charge

Anna Drakic, Program Specialists, Democracy and Governance Office

Dora Plavetic, Democracy Advisor

Vijesti

Mihailo Jovovic, Newsroom Manager



## **Bijelo Polje**

Magazine Polje

Željko Madžgalj, Owner

Radio Bijelo Polje

Zagorka Rebrenovic, Director

Dragic Rabrovic, Journalist

Vesna Šcekic, Journalist

Andrijana Žujovic, Journalist

Radio Fokus

Haris Dizdarevic, Owner

## **Budva**

Cabling Budva

Milovan Drakulovic, Director

Radio Budva

Aleksandra Rosandic, Director

## **Herceg Novi**

Radio Bussola

Jadranka Kršanac-Kovacevic, Director

Sky Sat Televizija

Željko Dapcevic, President Board of Directors

## **Kolasin**

Radio Ozon

Željka, Vuksanovic, Owner

## **Kotor**

Radio Kotor

Predrag Nikolic, Director

Skala Radio

Slavko Mandic, Director

## **Risan**

Municipality

Nedoeko Krivokapic, President

Radmila Krivokapic, Secretary



## Attachment C

---

### **Scope of Work**





# Montenegro Media Assessment & Evaluation of USAID Media Interventions

## Scope of Work

### Purpose of Assessment

The purpose of the assessment is to analyze the status of media reform in Montenegro, including bottlenecks impeding the sector's pace of development if any, evaluate USAID interventions to date in the areas of independent and broadcast media with the view of examining if the Mission's original program goals and targeted results have been met and are still relevant or not, and recommend prioritized interventions USAID should assume in the next two to three years that will contribute to strengthening the long-term viability of Montenegro's media scene.

### Background

The USAID/SAM (Montenegro) Interim Strategy for the period 2002-2004 was formally approved in April 2002. Media development falls under Strategic Objective (SO) 2.0 – *More Effective, Responsive and Accountable Democratic Institutions* and is one of the three bedrock Intermediate Results of SO 2.0: IR 2.0.1 Enhanced Capacity and Competitiveness of Independent Media, complementing IR 2.0.2 Strengthened Civil Society, Political Party, and Trade Union Capacity to Serve and Represent Citizens and IR 2.0.3 More Effective, Independent and Accountable Legal Institutions. Central to IR 2.0.1 is the conviction that improving professional skills of independent media benefits citizens' access to balanced news and information necessary to participate knowledgeably and effectively in democratic and free market institutions.

SO 2.0 supports USAID's other strategic objectives, SO 1.3 and SO 2.1, by preparing citizens to participate with greater knowledge and effectiveness in their communities, and in the process of political and economic reform, through informed associative participation in NGOs, trade unions, political parties, and other key institutions that help them assure the protection of their rights and proper implementation of reform. Further, SO 2.0 complements SO 1.3 by strengthening key institutions of an independent judiciary that provide the legal underpinnings for the protection of economic rights.

As a rule, USAID has supported media programs that strengthen media associations, shape the legal and regulatory environment, improve business viability, and increase media professionalism. In Montenegro, USAID's current media program consists of these activities. The Montenegro Independent Media Program (MIMP), implemented by IREX, [provides technical assistance, training, and commodities support to strengthen professional journalism and media associations; advance the legal and regulatory framework for media; and promote efficient business management.](#) The MIMP works to develop the skills and capacity of independent media outlets, including the development of supporting institutions such as the Montenegro Media Institute (MMI) for training and the Union of Independent Electronic Media (UNEM) for the protection and promotion of the rights of independent broadcasters. The MIMP also supports the Montenegrin Broadcasting Company (MBC) and the Montenegro Independent News Agency (MINA). As part of its assistance offered to the implementation of media legislation, the MIMP provided expert advice to the new Public Broadcasting Service on the adoption of various programming principles and organizational options for restructuring the public broadcaster (RTCG). Public broadcasting being defined by the European not American model.

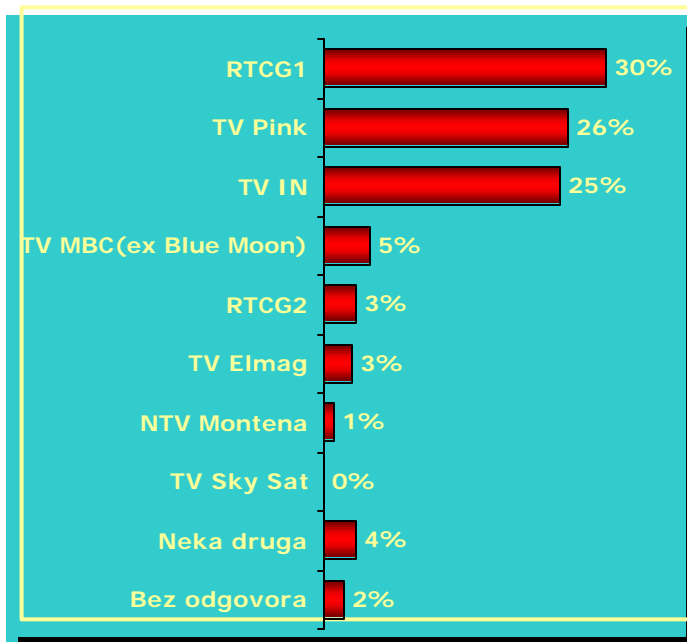
The USAID-funded IREX 2002 Media Sustainability Index demonstrated that advances toward a “near sustainable” stage have been made in the Media sector across the Index's five key attributes: free



speech; professional journalism; plurality of new sources; business management; and supporting institutions. For example, media reform actors like UNEM, MMI, and MINA have put in place a strong media legislative framework (Media Law; Broadcasting Law; and Transformation of State Media to Public Broadcasting Services). The process of implementation, however, has been very slow for various reasons. Media reform, in particular, lacks government support and commitment to advance the efficient operation of the new media bodies established by the Laws, such as the Broadcasting Agency, which after approximately six months has yet to receive official office space and sufficient funds to operate in compliance with the Law. Similarly, the organizational restructuring of state-owned television “RTCG” and newspaper “Pobjeda” is moving slowly as hundreds of redundant employees will have to be dismissed.

What is more, while the new media laws have introduced rules and order in the media sector, the independent broadcast and print media continue to face a number of problems. Namely, a saturated market of 150 print and broadcast media with new outlets expected to open. A new regional television station, TV Vektra could emerge on the market and two television stations from Serbia, B92 and BK, are also projected to expand into Montenegro. This will bring the total number of television stations to 17 in a country of 616,000 people with a weak economy. Market consolidation is a likely to occur as advertisers will most like place ads with only highly-rated media, and more favorable offers could be made by the larger operations. Although no media have been closed yet, a rapid drop in the ratings of some previously popular media confirm that market mechanisms are active. Presently, two types of TV stations exist, large and small-sized stations. The former State-owned TV Crne Gore (now Public Broadcaster) is ahead in the market, closely followed by TV IN and Belgrade-based TV Pink. Together these three stations control more than 70% of the audience. In the group of smaller TV stations, MBC is the only one that managed to improve its ratings in the past year (see table below). The others, including previously popular stations TV Montena and TV Elmag, have lost “viewership”. The prospects for smaller television broadcasters to stay in business are bleak and owners will have to decide on either finding a way to cooperate with other stations or to close down. Some TV stations have recognized this market dynamics and have registered as a network known as Channel 7. The Network is considering the possibility of collaborating with MBC and exchanging programs.

TV ratings as of August 2003; Source: IN TV/Strategic Marketing



Finally, while MMI has made significant strides in establishing quality training for journalists and media professionals, wide-level visible improvements in the practice of investigative reporting are lacking, as is the case with business management with the exception of MINA. Improvements in journalist ethics, marketing and other skills are still not extensively forthcoming. In short, the development of strong independent media remains an essential component in the overall evolution of democracy in Montenegro.

## **Statement of work**

### **Specific Tasks**

The contractor will undertake the work required to produce a report that:

- (1) Assesses the current state of the print and broadcast media in Montenegro;
- (2) Determines the principal obstacles that hinder media reform efforts;
- (3) Evaluates the implementation of the Mission's current media program activities, in particular whether objectives are being met and if not why; and
- (4) Recommends and prioritizes areas USAID should address in the next two to three years following the completion of the present Montenegro Independent Media Program (MIMP) on July 5, 2004.

The report shall include:

- (1) A summary of the status of the overall media environment in Montenegro, plus general judgments about the prospects for changes in media and related organizations, including:
  - Quality of journalism, together with current training programs available for print and broadcast media;
  - Business practices of private media organizations;
  - Legal environment as it relates to media issues, including laws that protect journalists;
  - Regulatory environment, including mechanisms for licensing and regulating media, and enforcement of violations (e.g., hate speech);
  - Healthy competition, including the impact of public broadcasting on the private operators, the role of non-Montenegrin media in Montenegro, the process of transformation of municipal ownership of radio/TV stations;
  - Availability and quality of news and information, Montenegro and regional specific news in minority languages, investigative journalism; and
  - Media infrastructure including transmission towers, cable, satellite, print presses, and distribution systems.
- (2) A description and appraisal of problems faced by Montenegrin media. This section may include anecdotal comments made by journalists, publishers and media owners.
- (3) An evaluation of the Mission's current media program activities and specific judgments about progress or lack thereof toward achievement of the relevant targets and indicators in USAID/SAM (Montenegro) strategy.
- (4) An assessment of the quality and effectiveness of coordination with the Organization for Security and Cooperation in Europe (OSCE), Council of Europe (COE), and other donor media programs.



- (5) Recommendations for future USAID media assistance following the completion of MIMP, including a summary of short-term and long-term recommendations.

### **Deliverables**

- A. An Outline (Table of Contents) of the report is to be submitted within three working days after arrival in Podgorica.
- B. Three debriefings for Mission staff: an introduction at the inception of the work; one at the half-way point of the assessment and a third before leaving Podgorica.
- C. A draft of the final report, of not more than 30 pages in length, shall be submitted to the Mission for review before the team leaves Podgorica. The final report should contain an Executive Summary and should clearly identify the team's findings, conclusions, and recommendations. Appendices should, at a minimum, list the people and organizations interviewed. The Mission will provide written comments to the team. The final report is due to the Mission no later than ten calendar days thereafter. The final report should be submitted electronically (in PDF format) along with 10 bound copies. The contractor shall also submit a copy of the final report to PPC/CDIE/DI.

### **Team Composition and Qualifications**

The assessment will be carried out by a two person contract team under a USAID IQC Task Order. The team shall include:

- A team leader with a professional background in international development work. This person shall be responsible for coordinating and directing the overall assessment effort, including preparation and submission of the draft and final assessment reports to USAID/SAM (Montenegro). He/she should have a minimum of 5 years experience in the design, implementation, and/or evaluation of foreign assistance programs including USAID-related media programs in transitional, post-communist settings. As assessment team leader, the incumbent should be thoroughly familiar with techniques of program impact appraisals and possess good organization and team-building skills; and
- A second team member with relevant experience in media or media development, possessing strong background knowledge of Serbia & Montenegro or the CEE region and experience in the design, implementation and/or evaluation of foreign assistance programs. Strong writing and word processing skills are a requirement. Previous overseas experience in the Balkans and knowledge of Montenegrin Serb language is desirable.

USAID may appoint a USAID and/or other USG employee(s) to act in the capacity of an observer or consultant where appropriate. The Contractor will certify that there is no conflict of interest or potential conflict of interest with respect to the performance of this assessment on the part of the contractor and the contractor's team members. The Contractor will guarantee that substitutions will not be made for individuals proposed as team members without the approval of USAID/SAM (Montenegro).



## **Suggested Methodology**

Prior to departure, the contractor shall review background documents, including:

- USAID assistance strategy for Montenegro 2002-2004 website, ([http://www.usaid.gov/missions/Montenegro/pdf/Montenegro\\_strategy\\_final.pdf](http://www.usaid.gov/missions/Montenegro/pdf/Montenegro_strategy_final.pdf));
- USAID Annual Report documents regarding Montenegro for the past two years;
- The Media Sustainability Index reports for Montenegro ([www.irex.org/msi](http://www.irex.org/msi))
- Workplans and Quarterly Reports submitted by IREX; and
- Other documents and literature related to media development, especially in a post-communist society.

The contractor shall conduct interviews with appropriate USAID staff in Washington; and with appropriate persons at IREX offices in Washington. The team will also communicate before departure with USAID/SAM (Montenegro) for advice on whom to interview in Montenegro and for help in scheduling appointments.

Approximately 3 workdays will be needed in Washington, D.C. for meetings with USAID/E&E Bureau Senior Media Advisor, Peter Graves, and/or IREX/Washington, and to collect and review background materials.

In Montenegro, the assessment will be conducted utilizing information from the following sources:

- (1) Interviews with grantees, partners, USAID field staff, journalists, media managers, OSCE, and NGOs. USAID/SAM (Montenegro) will provide the contractor with a list of recommended interviewees;
- (2) Site visits to a representative sample of media outlets. The team should visit a sufficient number of media partners and grantees to provide a valid and representative sample. Sites selected should provide a cross-section of media activities, thematic as well as geographic; and
- (3) Reviewing relevant USAID documents, including reports prepared by the implementers and internal USAID memoranda on relevant topics. A review of secondary literature as determined relevant by the assessment team.

## **Illustrative Schedule of Work**

The anticipated start date for this assessment is o/a April 15, 2004. Up to three workdays will be required in Washington prior to departure for collection and review of documents, appointments with relevant agencies and organizations. The field assessment will require two weeks of work in Podgorica with an authorized six-day work week. After departure from Podgorica in order to prepare the final report four additional days will be required for the team leader, and three additional days for the other team member. Final report should be submitted within 10 calendar days of receiving USAID/SAM (Montenegro) comments on the draft report.

Illustrative Schedule

### **Week One**

Team preparation and organization and Travel to Montenegro.



**Week Two**

Field visits in Montenegro, consisting of an introductory meeting and mid-point debriefing with the Mission, initial meetings with OSCE, COE, IREX, media outlets, media associations and other donors, etc.

**Week Three**

Field visits in Montenegro, meetings in Podgorica, Final debriefing to Mission, submit draft report.

**Week Four**

Mission reviews the draft report and provides comments.

**Week Five**

Final report submitted.

**Logistical support**

All logistical support will be provided by the Contractor including travel, transportation, secretarial and office support, interpretation, report printing and communication, as appropriate. USAID can provide short list of potential interpreters with media background.

**Workweek**

A six-day workweek is authorized while in Montenegro.

**Technical Direction**

Technical direction during the performance of this delivery order will be provided by USAID/DGO/SAM (Montenegro), Dora P. Plavetic (381 81) 241-050 ext.-120, [dplavetic@usaid.gov](mailto:dplavetic@usaid.gov) in consultation with the USAID/OIC/SAM (Montenegro), Howard R. Handler (381 81) 241-050 ext.-101, [hhandler@usaid.gov](mailto:hhandler@usaid.gov).



## Attachment D

---

### References



# Attachment D

## References

---

- Broadcasting Agency, *Broadcasting Development Strategy 2004-2007*. March 2004
- Center for Entrepreneurship and Economic Development, *Political and Economic Rights of Women In Montenegro, Round Table Report*, July 2002
- Council of Europe, *Joint Initiative between the Council of Europe and European Agency for Reconstruction, Work Plan*. Undated  
-----, *Serbia and Montenegro, Compliance with obligations and commitments and obligations and implementation of the post-accession co-operation program*. SG/Inf(2004) 14, 30 April 2004
- Development Associates, *Final Report, Final Evaluation of OTI's Program in Serbia-Montenegro*, by Thomas Cook and Ivo Spalatin. 2002
- French Government, Ministry of Foreign Affairs, *Fund for Radio and Print Press*, Undated
- IREX, *Media Sustainability Index, Montenegro 2001*  
-----, *Media Sustainability Index, Montenegro, 2002*  
-----, *Media Sustainability Index, Montenegro, 2004*  
-----, *Movers and Shakers, 2004*
- IREX/Montenegro, *Assessment of RTCG and its organizational reform process, Final Consultancy Report*, by Birgit Neunert and Lutz Oehmichen, November 2003  
-----, *Broadcasting Development Strategy 2004-2007 for Montenegro- Discussion Paper* by Hendrik Bussiek. 2004  
-----, *Client Profiles* (for all of MIMP grantees), 2004  
-----, *Economic and Business Reporting Impact in Montenegro*, by Valentina Scekcic, Undated  
-----, *Final Draft Year 2 Work Plan (Version of 10/17/02)*  
-----, *From Rearguard to Vanguard: Montenegro's Media Law Reform*, which includes *Montenegro's Long Walk to Media Reform* by Henrik Bussiek, Undated  
-----, *Grants for UNEM Member Stations*, May 2004  
-----, *Implementation of Media Reform and Legislation in Montenegro, Status Report, December 2003*  
-----, *Media Reform in Montenegro, Draft Implementation Plan*, November 2002  
-----, *MIMP Grants, 16-Jul-2001 - 15-Jul-2004*, Undated  
-----, *MIMP Year 3 Work Plan (October 1, 2003 - July 15, 2003)*  
-----, *MIMP Quarterly Reports for: October 2003 - December 2003, April - June 2003, January - March 2003, October - December 2002*  
-----, *Outline of Development Options for the Montena Fax News Agency*, Undated  
-----, *Performance appraisal for Editor of Business and Executive Manager, MIN@ news agency*, Undated  
-----, *Press Release, Donor Community: Implementation of media reform on track but needs speeding up*. 25 March 2004  
-----, *Promoting Viable Media Business*, by Valentina Scekcic, Undated  
-----, *Results: 2002* Undated  
-----, *Selected Quality Parameters (Radio)*, Undated





- , *Work Plan Revised 11/19/01*
- , *Work Plan 2003: Results*. Undated

Montenegro Advertising and Production Agency, *MAPA CV*, Undated

Montenegro Media Institute, *Activities report - April 2002*, April 2002

- , *Domestic Training Programs 2002-2004*, Undated
- , *Educational programs supported by IREX*, Undated
- , *International Programs, 2000-2004*, Undated
- , *MMI Activity Report for the First Quarter of the Year 2004*, April 2004
- , *Montenegro Media Institute Incomes in the period of November 28, 2000-March 31, 2004*
- , *Other MMI Projects Supported by IREX*, Undated
- , *Publishing*, Undated
- , *Report on Activities of Montenegro Media Institute for 2002*, January 2003
- , *Report on Activities of Montenegro Media Institute for 2003*, January 2004
- , *Researches*. Undated
- , *Review of Establishing Costs, Equipment, Furniture and Rent in the period of December 2000 up to July 2002*. Undated
- , *Step towards better journalism*, Undated
- , *Strategy Plan of the Montenegro Media Institute, 2004 - 2008*
- , *Statute*, November 2000
- , *Training Program of MMI School of Journalism*, Undated

Montenegro Press, *Profile*, Undated

Montenegrin Broadcasting Company, *Profile Program*, 2003

Montenegrin News Agency, *Min@INFO*, No. 1, June 2002

Monitor, *The Heroes of the Game without Rules*, April 9, 2004

- , Letter to the Editor: *The Article Consisted of Parts that Manifest Only Spite*. by Senko Cabarkapa, (reaction to the *Heroes to the Game without Rules*), April 16, 2004
- , Letter to the Editor: *A Journalist-Penitent*, by Petar Komnenic (reaction to the *Article Consisted of Parts that Manifest Only Spite*), April 23, 2004

OSCE, *International Montenegro Media Program Operators' Meeting, 25 March 2004 Podgorica, Minutes*.

ORT, *Reform of Local State Media into Public Broadcasting Services, Call for Applications*. Undated

- , *Status of Akcija subagreements signed from February - July 2003*, Undated
- , *USAID/ORT Montenegro Advocacy Program, Concept Paper, Subgrantee: UNEM*,

Undated

- , *USAID/ORT Montenegro Advocacy Program, Cumulative List of Grants*, Undated
- , *USAID/ORT Montenegro Advocacy Program, Press Release: USAID Grants \$1.1 million to NGOs*, 1 April 2004
- , *Watchdog Training and Consulting Report*, by Petr Štěpánek, March 22-30, 2004

Republic of Montenegro, *Broadcasting Law*, 2004

- , *Constitutional Charter of the Statue Union of Serbia and Montenegro*, 2002



- , *Law on Public Broadcasting Services “Radio Montenegro” and “Television of Montenegro.”* 2002
- , *Law on Free Access to Information, Draft.* 2004
- , *Media Law*, 2004
- , *Working Title “Law on Unauthorized Media Concentration”, Alternative Title “Law on Unauthorized Media Concentration and Media Ownership Transparency.”* Undated
- Strategic Marketing and Media Research Institute, *Media Research* for March 2004, October 2003, April 2003, September 2002,
- Union of Electronic Broadcasters, *Budva Declaration on Broadcasting in South-East Europe.* 2001
- US State Department, *Human Rights Report, Montenegro* 2002
- , *Human Rights Report, Montenegro*, 2003
- USAID/Montenegro, *Annual Report FY 2003*, May 10, 2004
- , *Cooperative Agreement No 170-A-00-01-00102-00* (and Amendments No. 1-4) Montenegro 2001
- , Letter from Dora Plavetic, USAID Democracy Advisor to Eniko Csikos, IREX, authorizing IREX’s Revised Workplan dated 11/19/01 for MIMP. November 23, 2001
- , Letter from Dora Plavetic, USAID Democracy Advisor to Joe Raffelberg, IREX, authorizing IREX’s MIMP Year 3 Workplan. January 26, 2004
- , *Montenegro Interim Strategy 2002-2004*, April 2002
- , *Performance Monitoring Plan, Draft*, November 2002

